AGREEMENTS FOR CONSTRUCTION AND MANAGEMENT OF KILL, CHILL AND CUT PLANT AT SHERWOOD, PRINCE EDWARD ISLAND

March 22, 1985

I N D E X

1. Foundation Agreement
2. Shareholders Agreement
3. rtnership Agreement
4. Management Agreement
5. Pricing Agreement
6. Supply Agreement
7. Beef Agreement

F O U N D A T I O N A G R E E M E N T

BETWEEN

THE GOVERNMENT OF THE PROVINCE OF PRINCE EDWARD ISLAND

and

PRINCE EDWARD ISLAND HOG COMMODITY MARKETING BOARD

and

H.C.M. INDUSTRIES LTD.

and

B.P. INVESTMENT INC.

and

CANADA PACKERS INC.

TABLE OF CONTENTS

ARTICLE ONE - INTERPRETATION

Definitions 2

Sections and Headings 4

Number 4

Schedules 4

ARTICLE TWO - FEDERAL GRANT

Condition Precedent 4

Notice 4

Rescission 5

ARTICLE THREE - INCENTIVE PROGRAM

Establishment 5

ARTICLE FOUR - GPM

Incorporation 5

Common Shares and Class A Preferred Shares 5

Class B Preferred Shares 6

Loans 6

Shareholders Agreement 6

PEI's Right of First Refusal as to Assets 6

PEI's Right of Refusal as to Shares 7

PEI's Obligation to Purchase Shares from Canada Packers . . 8

ARTICLE FIVE - PARTNERSHIP

Formation 9

Capital 9

Return to Limited Partner 9

Put and Conversion 13

Other Agreements 13

ARTICLE SIX - FINANCING OF DEFICITS

Construction 14

Operation 14

ARTICLE SEVEN - GENERAL

Benefit of the Agreement 15

Entire Agreement 15

Amendments and Waivers 15

Assignment 15

Notices 15

Governing Law 17

Attornment 17

Public Announcement 17

THIS AGREEMENT made the 22nd day of March, 1985;

BETWEEN:

THE GOVERNMENT OF THE PROVINCE OF PRINCE EDWARD ISLAND, as represented by Honourable Wilbur MacDonald, Minister of Industry (hereinafter referred to as "PEI"),

OF THE FIRST PART,

- and -

PRINCE EDWARD ISLAND HOG COMMODITY MARKETING BOARD, a body corporate established by act of the Legislature of the Province of Prince Edward Island pursuant to an order made by the Lieutenant Governor in Council upon the recommendation of the Prince Edward Island Marketing Council under the Natural Products Marketing Act, R.S.P.E.I. Cap. N-2 (hereinafter referred to as the "Hog Board"),

OF THE SECOND PART,

-and-

H.C.M. INDUSTRIES LTD., a corporation incorporated under the laws of the Province of Prince Edward Island (hereinafter referred to as "H.C.M.")

OF THE THIRD PART,

- and -

B.P. INVESTMENT INC., a corporation incorporated under the laws of the Province of Prince Edward Island, (hereinafter referred to as "B.P.")

OF THE FOURTH PART,

- and -

CANADA PACKERS INC., a corporation incorporated under the laws of Canada (hereinafter referred to as "Canada Packers"),

OF THE FIFTH PART.

WHEREAS PEI has concluded that it is essential to the stability of the farming industry on Prince Edward Island that the Plant be established to be available as a market for hogs and cattle raised by farmers on Prince Edward Island; and

WHEREAS Canada Packers is engaged in the meatpacking business in Canada and other countries and PEI has asked Canada Packers to invest in and to manage the Plant; and

WHEREAS Canada Packers has agreed to do so on the bases, inter alia, that PEI shall endeavour to ensure that at least 4,500 marketable index hogs are delivered to the Plant each week and that, if Canada Packers decides that the Plant is not a viable operation for Canada Packers, PEI will purchase its interest, upon and subject to the terms and conditions herein contained; and

WHEREAS H.C.M. has been incorporated by the Hog Board and B.P. has been incorporated by cattle producers in Prince Edward Island and each of H.C.M. and B.P. have also agreed to invest in the Plant and to participate in the direction of the business and affairs of the Plant, upon and subject to the terms and conditions herein contained;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and the covenants and agreements herein contained the parties hereto agree as follows:

ARTICLE ONE - INTERPRETATION

Definitions

1.01 In this Agreement, unless something in the subject matter or context is inconsistent herewith:

(a) "Agreement" means this agreement and all amendments made hereto by written agreement between the parties hereto;

(b) "Beef Agreement" means the agreement to be made between B.P., the Partnership and Canada Packers substantially in the form annexed hereto as Schedule F;

(c) "Business Day" means a day other than a Saturday, Sunday or statutory holiday in Prince Edward Island;

(d) "Communication" means any demand, notice or other communication to be given in connection with this Agreement;

(e) "GPM" means the corporation to be incorporated on behalf of H.C.M., B.P. and Canada Packers;

(f) "Limited Partners" means the limited partners of the Partnership;

(g) "Management Agreement" means the agreement to be made between the Partnership and Canada Packers as to the management of the Plant substantially in the form annexed hereto as Schedule C;

(h) "Opening Date" means the date when the Plant is physically capable of operating at 90% of its weekly rated capacity;

(i) "Partnership" means the limited partnership to be formed under the laws of the Province of Prince Edward Island consisting of GPM as general partner and the Limited Partners;

(j) "Partnership Agreement" means the agreement to be made between the members of the Partnership substantially in the form annexed hereto as Schedule B;

(k) "Plant" means the plant to be constructed on Prince Edward Island with a capacity to kill, cut and chill 5,000 hogs per week on a split-shift basis and 200 cattle per week on a single shift basis substantially in accordance with a preliminary plan dated August 20, 1984 prepared by Canada Packers;

(l) "Pricing Agreement" means the agreement to be made between PEI, the Partnership and the Hog Board as to the price of hogs substantially in the form annexed hereto as Schedule D;

(m) "Shareholders" means H.C.M., B.P. and Canada Packers;

(n) "Shareholders Agreement" means the agreement to be made between H.C.M., B.P., Canada Packers and GPM as to the ownership of GPM substantially in the form annexed hereto as Schedule A; and

(o) "Supply Agreement" means the agreement to be made between PEI, the Partnership and GPM as to the supply of hogs and deficiency payments substantially in the form annexed hereto as Schedule E.

Sections and Headings

1.02 The division of this Agreement into Articles and Sections and the insertion of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement" "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

Number

1.03 Words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and vice versa and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and vice versa.

Schedules

1.04 The following are the Schedules annexed hereto and incorporated by reference and deemed to be part hereof:

Schedule A - Shareholders Agreement;
Schedule B - Partnership Agreement;
Schedule C - Management Agreement;
Schedule D - Pricing Agreement;
Schedule E - Supply Agreement; and
Schedule F - Beef Agreement.

ARTICLE TWO - FEDERAL GRANT

Condition Precedent

2.01 The obligations of the parties pursuant to this Agreement shall be subject to the condition precedent that PEI receives a commitment from the Government of Canada, in form and substance satisfactory to PEI, to provide grants to the Partnership or GPM of at least $4,500,000 for the construction of the Plant.

Notice

2.02 PEI shall notify each of the other parties forthwith after receipt of such commitment.

Rescission

2.03 (1) If such commitment is not received prior to April 30, 1985, any party may rescind this Agreement upon 90 days prior notice to the other parties and, unless PEI within such 90-day period acquires such commitment, upon the expiry of such 90-day period, subject to the provisions of Section 2.03(2), the parties shall be released from all obligations hereunder and this Agreement (including all agreements annexed hereto) shall be terminated.

(2) If the Agreement is rescinded pursuant to Section 2.03(1), PEI shall purchase

(a) the outstanding shares of GPM from H.C.M., B.P. and Canada Packers; and

(b) the interest of Canada Packers in the Partnership

for a purchase price equal to the amount paid for such shares or interest, as the case may be, payable by certified cheque within 15 Business Days after expiry of the 90-day period referred to in Section 2.03(1).

ARTICLE THREE - INCENTIVE PROGRAM

Establishment

3.01 PEI shall establish an incentive program to increase hog production on Prince Edward Island to endeavour to ensure that, by Opening Date, at least 4,500 marketable index hogs will be delivered to the Plant each week.

ARTICLE FOUR - GPM

Incorporation

4.01 H.C.M., B.P. and Canada Packers shall cause GPM to be incorporated under the laws of the Province of Prince Edward Island with an authorized capital of 1,200 Class A preferred shares with a par value of $1,000 per share, 10,000 Class B preferred shares with a par value of $1,000 per share and 100 common shares with a par value of $1 each.

Common Shares and Class A Preferred Shares

4.02 Each of H.C.M., B.P. and Canada Packers shall subscribe for

(a) the number of common shares of GPM set forth opposite its name below at a subscription price of

$1 per share forthwith upon the incorporation of GPM; and

(b) the number of Class A preferred shares of GPM set forth opposite its name below at a subscription price of $1,000 per share forthwith upon receipt of a request of the board of directors of GPM as required for the construction of the Plant provided no such requests shall be made prior to May 1, 1985.

	Common Shares	Class A Preferred Shares
Hog Board	52	480
B.P.	13	120
Canada Packers	35	-

Class B Preferred Shares

4.03 PEI shall from time to time subscribe for Class B preferred shares of GPM at a subscription price of $1,000 per share pursuant to the provisions hereof.

Loans

4.04 It is understood that any funds received by GPM pursuant to Section 2.01 or pursuant to the subscriptions referred to in Sections 4.02 and 4.03 shall be lent by GPM to the Partnership for the construction and operation of the Plant.

Shareholders Agreement

4.05 H.C.M., B.P. and Canada Packers shall enter into the Shareholders Agreement.

PEI's Right of First Refusal as to Assets

4.06 (1) If the Shareholders authorize the sale, lease, exchange or disposition of the entire undertaking and assets of GPM or any part thereof which would impair the operation of the Plant as contemplated hereby (hereinafter in this Section 4.06 referred to as the "Offered Assets"), the Shareholders shall cause GPM to give notice of the proposed sale (hereinafter in this Section 4.06 referred to as the "Notice") to PEI. GPM shall set out in the Notice a description of the Offered Assets and the price at which it is prepared to sell the Offered Assets to PEI (hereinafter in this Section 4.06 referred to as the "Purchase Price") provided that the Purchase Price for all of the undertaking and assets of GPM shall not exceed an amount equal to the sum of the aggregate amounts in the stated capital accounts for the common shares and Class A preferred shares of GPM plus any retained earnings or

minus any deficit of GPM as reflected on the audited balance sheet of GPM for the fiscal period of GPM immediately preceding the fiscal period in which the Notice is given or such later period ending not later than the date of the Notice that PEI pays for an audit thereof or, in the case of the sale of any such part of the undertaking and assets of GPM, a pro rata portion of such amount.

(2) Upon the Notice being given, PEI shall have the right to purchase all, but not less than all, of the Offered Assets for the Purchase Price payable by certified cheque on completion of the transaction of purchase and sale by giving notice to GPM within 30 Business Days of having been given the Notice. If PEI does give such notice, the transaction of purchase and sale shall be completed within 90 Business Days of the expiry of the 30 Business Day period. If PEI does not give such notice, the right of PEI to purchase the Offered Assets shall forthwith cease and determine and GPM may sell the Offered Assets to any person for a price not less than the Purchase Price.

PEI's Right of Refusal as to Shares

4.07 (1) Notwithstanding the provisions of Section 4.04(5) of the Shareholders Agreement, if the Offerees (as defined in such Section) do not give notice in accordance with the provisions of Section 4.04(3) thereof that they are willing to purchase all of the Offered Shares (as defined in such Section), the Offeror (as defined in such Section) shall give notice (hereinafter in this Section 4.07 referred to as the "Notice") to PEI that it desires to sell the Offered Shares at a purchase price not in excess of an amount equal to:

(a) for Series A preferred shares, the par value thereof plus any declared but unpaid dividends thereon; and

(b) for common shares, the par value thereof plus a pro rata portion of any retained earnings or minus a pro rata portion of any deficit of GPM as reflected in the audited balance sheet of GPM for the fiscal period of GPM immediately preceding the fiscal period in which the Notice is given or such later period ending not later than the date of the Notice that PEI pays for an audit thereof provided that the purchase price for each common share shall not be less than $1;

(hereinafter in this Section 4.07 referred to as the "Purchase Price") payable by certified cheque on completion of the transaction of purchase and sale of the Offered Shares.

(2) Upon the Notice being given, PEI shall have the right to purchase all, but not less than all, of the Offered Shares for the Purchase Price by giving notice to the Offeror within 30 Business

Days of having been given the Notice. If PEI does give such notice, the transaction of purchase and sale of the Offered Shares shall be completed within 90 Business Days of the expiry of the 30 Business Day period. If PEI does not give such notice, the right of PEI to purchase the Offered Shares shall forthwith cease and determine and the Offeror may sell the Offered Shares to any person in accordance with the provisions of Section 4.04(5) of the Shareholders Agreement.

4.08 The provisions of Section 4.07 of this Agreement shall apply mutatis mutandis to any proposed sale of shares of GPM pursuant to Section 4.05 of the Shareholders Agreement.

PEI's Obligation to Purchase Shares from Canada Packers

4.09 (1) If the Partnership terminates the Management Agreement pursuant to the provisions thereof at any time or Canada Packers terminates the Management Agreement pursuant to either Section 7.02 or 7.03 of the Management Agreement at any time or Canada Packers terminates the Management Agreement pursuant to Section 7.01 of the Management Agreement at any time on or after the third anniversary of the Opening Date and Canada Packers offers to sell all its shares of GPM (hereinafter in this Section 4.08 referred to as the "Offered Shares") to the other shareholders of GPM pursuant to the provisions of Section 4.04 of the Shareholders Agreement and the other shareholders do not give notice in accordance with the provisions of Section 4.04(3) thereof that they are willing to purchase all of the Offered Shares, then Canada Packers may give notice to PEI that it desires to sell the Offered Shares to PEI (hereinafter in this Section 4.09 referred to as the "Notice") at a purchase price not in excess of an amount equal to the pro rata portion of an amount equal to the sum of the aggregate amounts in the stated capital accounts for the common shares and the Class A preferred shares of GPM plus any retained earnings or minus any deficit of GPM as reflected on the audited balance sheet of GPM for the fiscal period of GPM immediately preceding the fiscal period in which the Notice is given or such later period ending not later than the date of the Notice that PEI pays for an audit thereof provided that the purchase price for each common share shall not be less than $1 (hereinafter in this Section 4.09 referred to as the "Purchase Price").

(2) If Canada Packers exercises its right to sell the Offered Shares to PEI, PEI shall purchase all of the Offered Shares for the Purchase Price payable by certified cheque on completion of the transaction of purchase and sale of the Offered Shares, which shall be completed within 90 Business Days of the Notice being given to PEI.

ARTICLE FIVE - PARTNERSHIP

Formation

5.01 Forthwith after the incorporation of GPM, the Shareholders shall cause GPM to enter into the Partnership Agreement with Canada Packers and the Prince Edward Island Development Agency as Limited Partners. The Partnership shall construct and operate the Plant.

Capital

5.02 Subject to Section 5.03(7), Canada Packers shall become a Limited Partner and from time to time make capital contributions, up to a maximum of $2,100,000, to the Partnership at the request of GPM as required for the construction of the Plant provided that no such requests shall require Canada Packers to make capital contributions earlier than as follows:

(a) $600,000 by May 1, 1985;

(b) an additional $750,000 by July 1, 1985; and

(c) the balance of $750,000 by September 1, 1985.

Return to Limited Partner

5.03 (1) It is understood that as at the end of each fiscal year of the Partnership Canada Packers, if it is a Limited Partner at such year end, will be allocated its proportionate share of the Partnership's investment tax credits and Partnership income or loss determined in respect of such fiscal year which in the case of investment tax credits and Partnership losses may be used by Canada Packers directly or indirectly to reduce federal or provincial income tax otherwise payable and thereby result in tax savings for Canada Packers.

(2) The fiscal year adopted by the Partnership shall be established such that the last fiscal year of the Partnership ends at the end of the month next preceding the Opening Date provided that if such fiscal year would otherwise end March 31 it shall end on the last Saturday in March.

For example*

(i) if the Opening Date is	(ii) the first fiscal year commences March 20, 1985 and ends	(iii) the second fiscal year (if relevant) ends	(iv) the third fiscal year (if relevant) ends
February 15, 1986	January 31, 1986	-	-
March 20, 1986	February 28, 1986	-	-
March 30, 1986	March 30, 1985	March 29, 1986	-
April 1, 1986	March 30, 1985	March 29, 1986	-
April 30, 1986	March 30, 1985	March 29, 1986	-
May 1, 1986	April 30, 1985	April 30, 1986	-
July 15, 1986	June 30, 1985	June 30, 1986	-
February 15, 1987	January 31, 1986	January 31, 1987	-
April 1, 1987	March 30, 1985	March 29, 1986	March 28, 1987

* Assuming Partnership commences March 20, 1985.

(3) PEI hereby guarantees Canada Packers that in computing its tax liability for its taxation year ending March 29, 1986, if the Opening Date is on or before April 30, 1986, or for its taxation years ending March 29, 1986 and March 28, 1987, in any other case, Canada Packers shall have the benefit of tax savings of at least $1,800,000. Such tax savings are to be determined for such taxation year or years, as the case may be, by Canada Packers, and to be verified by its auditors, on the basis of the following assumptions and such other assumptions as are reasonable in the circumstances:

(a) in determining the tax savings for Canada Packers as a consequence of any investment tax credits or Partnership losses allocated to it Canada Packers is assumed to have an effective corporate tax rate of 40 per cent;

(b) the amount of Canada Packers' tax savings otherwise computed will be reduced by an amount equal to the amount of tax that would be payable by Canada Packers if it disposed of its interest in the Partnership for proceeds of disposition of $1 on March 29, 1986 if the Opening Date is on or before April 30, 1986 or on March 28, 1987 in any other case, assuming for such purpose that Canada Packers has an effective corporate tax rate of 46 per cent; and

(c) no adjustment shall be made to the amount of Canada Packers' tax savings otherwise computed for any tax payable by Canada Packers on the actual or deemed disposition or issuance of any Class A preferred shares of GPM.

(4) Within six months after the end of its 1986 and, if appropriate, its 1987 taxation years Canada Packers shall notify the Partnership in writing as to the amount or amounts of its actual tax savings for such year or years as determined in accordance with Section 5.03(3).

(5) If the amount of Canada Packers' actual tax savings so determined for its 1986 taxation year or, if appropriate, its 1986 and 1987 taxation years is:

(a) less than $1,800,000, PEI shall forthwith pay to Canada Packers an amount equal to the amount of the deficiency taking into consideration tax payable by Canada Packers thereon, if any; or

(b) in excess of $1,800,000 but less than $2,400,000, Canada Packers shall forthwith pay to PEI an amount equal to one-half of such excess (less any amount previously contributed by Canada Packers to the Partnership in accordance with Section 5.03(7)); or

(c) in excess of $2,400,000, Canada Packers shall forthwith pay to PEI an amount equal to the sum of $300,000 plus the amount of such excess (less any amount previously contributed by Canada Packers to the Partnership in accordance with Section 5.03(7)).

(6) Notwithstanding any provision herein to the contrary, if Canada Packers receives an assessment from Revenue Canada, Taxation or any provincial tax authority which adjusts the amount of Canada Packers' tax savings determined under Section 5.03(3) above for its 1986 and, if appropriate, its 1987 taxation years Canada Packers shall deliver a copy of the assessment or relevant part thereof (hereinafter in this Section 5.03 referred to as the "Assessment") to PEI and shall take all action necessary to preserve all rights to object to such assessment and the following special rules apply:

(a) if Canada Packers and PEI agree not to pursue the appeal of, or otherwise dispute, the Assessment;

(i) the amounts payable by PEI or Canada Packers, each to the other, as determined under Section 5.03(5) above shall be adjusted accordingly so as to make the computation consistent with the Assessment and the appropriate additional payment or reimbursement shall be made forthwith without interest; and

(ii) PEI shall pay to Canada Packers forthwith an amount which after tax thereon, if any, is equal to the amount of any interest or penalties payable by

Canada Packers by virtue of the Assessment and which is reasonably attributable to a reduction in the amount of Canada Packers' tax savings for such taxation year or years as determined under Section 5.03(5) above;

(b) if Canada Packers decides to pursue the appeal of, or otherwise dispute, the Assessment, at its own expense, no change shall be made to the payments contemplated in Section 5.03(5), whether or not paid, until Canada Packers' appeal therefrom is finally determined, in which case:

(i) the amounts payable by PEI or Canada Packers, each to the other, as determined under Section 5.03(5) above shall be adjusted accordingly so as to make such computation consistent with the Assessment and the appropriate additional payment or reimbursement shall be made forthwith without interest; and

(ii) PEI shall pay to Canada Packers forthwith an amount which after tax thereon, if any, is equal to the amount of any interest or penalties payable by Canada Packers by virtue of the Assessment and which is reasonably attributable to a reduction in the amount of Canada Packers' tax savings for such taxation year or years as determined under Section 5.03(5) above; and

(c) if at any time Canada Packers decides not to pursue an appeal of, or otherwise dispute, the Assessment PEI shall thereupon have the sole right, subject to the limitation contained below, to determine whether and to what extent the Assessment will be appealed or otherwise contested and the right to have carriage of any such proceedings taken on behalf of Canada Packers and to obtain and instruct counsel chosen by PEI, the whole at the expense of PEI, and Canada Packers will fully cooperate with PEI and its counsel in any such proceedings provided that PEI's right shall be exercised in consultation with Canada Packers and shall be coordinated with, so as not to adversely affect, any other matter or proceeding which Canada Packers may be pursuing or intends to pursue under the Income Tax Act (Canada) or any applicable provincial tax statute. No change shall be made to the payments contemplated in Section 5.03(5), whether or not paid, until Canada Packers' appeal is finally determined in which case:

(i) the amounts payable by PEI or Canada Packers, each to the other, as determined under Section 5.03(5)

above shall be adjusted accordingly so as to make such computation consistent with the Assessment and the appropriate additional payment or reimbursement shall be made forthwith without interest; and

(ii) PEI shall pay Canada Packers forthwith an amount which after tax thereon, if any, is equal to the amount of any interest or penalties payable by Canada Packers by virtue of the Assessment and which is reasonably attributable to a reduction in the amount of Canada Packers' tax savings for such taxation year or years as determined under Section 5.03(5) above.

(7) Notwithstanding Section 5.02, Canada Packers may, at its sole option, make additional capital contributions to the Partnership as required for the construction of the Plant.

Put and Conversion

5.04 At any time after the end of the fiscal year next preceding the earlier of the Opening Date and March 28, 1987:

(a) Canada Packers may, at its option, transfer its interest in the Partnership to GPM in exchange for 600 Class A preferred shares in the capital of GPM and Canada Packers and GPM shall file a joint election under subsection 85(1) of the Income Tax Act (Canada) in respect of such transfer using an elected amount equal to the cost amount of such interest to Canada Packers at the time of such disposition.

(b) GPM may, at its option, acquire an additional interest in the Partnership as a Limited Partner in consideration for a contribution to the Partnership of all or a portion of any debt owed to GPM by the Partnership at the time of such contribution and in such case the capital account of GPM as a Limited Partner shall be increased by the aggregate principal amount of the debt or portion thereof so contributed.

Other Agreements

5.05 (1) It is understood that:

(a) the Partnership and Canada Packers shall enter into the Management Agreement;

(b) the Partnership, PEI and the Hog Board shall enter into the Pricing Agreement;

(c) the Partnership, PEI and GPM shall enter into the Supply Agreement; and

(d) the Partnership, Canada Packers and B.P. shall enter into the Beef Agreement.

(2) It is also understood that if at any time GPM acquires all of the interest of the Partnership in the Plant the Partnership shall assign its rights and obligations under each of the Management Agreement, the Pricing Agreement, the Supply Agreement and the Beef Agreement to GPM and GPM shall agree to become a party to each such agreement in the place of the Partnership.

ARTICLE SIX - FINANCING OF DEFICITS

Construction

6.01 PEI shall:

(a) forthwith transfer to the Partnership for the sum of $1 the lands suitable for the Plant; and

(b) as required for the construction of the Plant at the request of GPM subscribe and pay for Class B preferred shares of GPM at a subscription price of $1,000 per share, in order to provide GPM with the funds to lend to the Partnership so that the Partnership has sufficient funds to complete construction of the Plant.

Operation

6.02 (1) PEI shall subscribe and pay for Class B preferred shares of GPM at a subscription price of $1,000 per share pursuant to the provisions of the Supply Agreement as and when provided therein.

(2) PEI shall make non-repayable grants to the Partnership pursuant to the provisions of the Pricing Agreement as and when provided therein.

(3) If the Partnership is obliged to indemnify Canada Packers pursuant to the provisions of Article Six of the Management Agreement and the Partnership does not have the necessary funds to do so, PEI shall subscribe and pay for Class B preferred shares of GPM at a subscription price of $1,000 per share in order to provide GPM with the funds to lend to the Partnership so that the Partnership has sufficient funds to indemnify Canada Packers.

ARTICLE SEVEN - GENERAL

Benefit of the Agreement

7.01 This Agreement shall enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties hereto.

Entire Agreement

7.02 This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties hereto with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as expressly set forth in this Agreement. To the extent that there is any inconsistency between this Agreement and any agreement attached hereto as a Schedule, this Agreement shall prevail.

Amendments and Waivers

7.03 No amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by all of the parties hereto. No waiver of any breach of any provision of this Agreement shall be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, shall be limited to the specific breach waived.

Assignment

7.04 Except as may be expressly provided in this Agreement, none of the parties hereto may assign its rights or obligations under this Agreement without the prior written consent of all of the other parties hereto.

Notices

7.05 Any Communication shall be given in writing and may be given by personal delivery, by registered mail or by transmittal by telex addressed to the recipient as follows:

To PEI:

The Government of the Province of
Prince Edward Island
P.O. Box 2000
Charlottetown, P.E.I.
Canada C1A 7N8

Telex No: 014-44154
Attention: Minister of Industry

To the Hog Board:

P.E.I. Hog Commodity Marketing Board
c/o Mullin, Carr, Stevenson & MacKay
Barristers and Solicitors
50 Water Street
Charlottetown, P.E.I.
Canada C1A 7L1

Telex No: [redacted]
Attention: John A. Carr

To H.C.M.:

H.C.M. Industries Ltd.
c/o Mullin, Carr, Stevenson & MacKay
Barristers and Solicitors
50 Water Street
Charlottetown, P.E.I.
Canada C1A 7L1

Telex No: [redacted]
Attention: John A. Carr

To B.P.:

B.P. Investments Inc.
c/o Scales, Jenkins & McQuaid
Barristers and Solicitors
70 Kent Street
Charlottetown P.E.I.
C1A 8B9

Telex No: 014-44249
Attention: David H. Jenkins

To Canada Packers:

Canada Packers Inc.
95 St. Clair Avenue West
Toronto, Ontario
Canada M4V 1P2

Telex No: 06-22257
Attention: Secretary

or such other address, telex number or individual as may be designated by notice by any party to the other. Any communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third Business Day following the deposit thereof in the mail and, if given by telex, on the day of transmittal thereof. If the party giving any Communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such Communication shall not be mailed but shall be given by personal delivery or by telex.

Governing Law

7.06 This Agreement shall be governed by and construed in accordance with the laws of the Province of Prince Edward Island.

Attornment

7.07 For the purpose of all legal proceedings this Agreement shall be deemed to have been performed in the Province of Prince Edward Island and the courts of the Province of Prince Edward Island shall have exclusive jurisdiction to entertain any action arising under this Agreement. Each of the parties hereby attorns to the jurisdiction of the courts of the Province of Prince Edward Island.

Public Announcement

7.08 No public announcement or press release concerning any matter dealt with in this Agreement shall be made by any party hereto other than PEI without the prior approval of the other parties hereto.

IN WITNESS WHEREOF the parties have executed this

Agreement.

THE GOVERNMENT OF THE PROVINCE
OF PRINCE EDWARD ISLAND

Per: _____
Minister of Industry

PRINCE EDWARD ISLAND HOG
COMMODITY MARKETING BOARD

Per: _____
Chairman

c/s

_____
Vice-Chairman

H.C.M. INDUSTRIES LTD.

Per: _____
President

c/s

_____
Secretary

B.P. INVESTMENT INC.

Per: _____
President

c/s

_____
Secretary

CANADA PACKERS INC.

Per: _____
Vice-President

c/s

_____
Secretary

SCHEDULE "A"

SHAREHOLDERS AGREEMENT

BETWEEN

H.C.M. INDUSTRIES LTD.

-and-

CANADA PACKERS INC.

-and-

B.P. INVESTMENT INC.

-and-

GARDEN PROVINCE MEATS (1985) INC.

TABLE OF CONTENTS

ARTICLE ONE - INTERPRETATION

Definitions 2
Sections and Headings 3
Number 3
Accounting Principles 3

ARTICLE TWO - FUNDING

Subscription for Common Shares 4
Subscription for Class A Shares 4
Additional Capital 4

ARTICLE THREE - MANAGEMENT

Carrying out of the Agreement 5
Idem 5
Idem 5
Directors 5
Auditor 5
Approval of Matters 5
Enforcement of Rights 7

ARTICLE FOUR - DEALING WITH SHARES

No Transfer of Shares 7
Endorsement on Certificates 8
Issue of Additional Shares 8
Sale of Shares 8
Insolvency of a Shareholder 10
Controlled Company 12

ARTICLE FIVE - GENERAL

Benefit of the Agreement 13
Arbitration 13
Amendments and Waivers 13
Assignment 13
Termination 14
Notices 14
Governing Law 15
Attornment 15

SHAREHOLDERS AGREEMENT

THIS AGREEMENT made the 22nd day of March, 1985;

B E T W E E N:

H.C.M. INDUSTRIES LTD., a corporation incorporated under the laws of the Province of Prince Edward Island (hereinafter referred to as "H.C.M."),

OF THE FIRST PART,

- and -

CANADA PACKERS INC., a corporation incorporated under the laws of Canada (hereinafter referred to as "Canada Packers"),

OF THE SECOND PART,

-and-

B.P. INVESTMENT INC., a corporation incorporated under the laws of the Province of Prince Edward Island (hereinafter referred to as "B.P.")

OF THE THIRD PART,

- and -

GARDEN PROVINCE MEATS (1985) INC., a corporation incorporated under the laws of the Province of Prince Edward Island (hereinafter referred to as the "Corporation"),

OF THE FOURTH PART.

WHEREAS the letters patent and by-laws of the Corporation are annexed hereto as Schedule A; and

AND WHEREAS at the date hereof the only issued share of the Corporation is one common share which is beneficially owned by John A. Carr, as incorporator of the Corporation, and John A. Carr has agreed to transfer such share to H.C.M. and H.C.M. is to subscribe for 51 common shares and 480 Class A preferred shares,

B.P. is to subscribe for 13 common shares and 120 Class A preferred shares and Canada Packers is to subscribe for 35 common shares;

AND WHEREAS after such transfer and such shares are issued pursuant to such subscriptions the issued and outstanding shares will be owned as follows:

SHAREHOLDERS	COMMON SHARES	CLASS A PREFERRED SHARES
H.C.M.	52	480
Canada Packers	35	-
B.P.	13	120

AND WHEREAS the Shareholders and the Corporation have agreed to enter into this Agreement as being in their respective best interests and for the purpose of providing for the operation of the Corporation;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained the parties hereto agree as follows:

ARTICLE ONE - INTERPRETATION

Definitions

1.01 In this Agreement, unless something in the subject matter or context is inconsistent therewith:

(a) "Accountant" means the auditor or accountant, as the case may be, of the Corporation appointed from time to time;

(b) "Affiliate" means, with respect to the relationship between corporations, that one of them is controlled by the other or both of them are controlled by the same person, and for this purpose a corporation shall be deemed to be controlled by those persons who hold or control sufficient voting shares of the corporation to elect the majority of its board of directors;

(c) "Agreement" means this agreement and all amendments made hereto by written agreement between the Shareholders and the Corporation;

(d) "Business Day" means a day other than a Saturday, Sunday or statutory holiday in Prince Edward Island;

(e) "Communication" means any demand, notice or other communication to be given in connection with this Agreement;

(f) "Companies Act" means the Companies Act of Prince Edward Island, as now enacted or as the same may from time to time be amended, re-enacted or replaced;

(g) "Foundation Agreement" means the agreement made March 22, 1985 between The Government of the Province of Prince Edward Island, the Hog Board, H.C.M., B.P. and Canada Packers;

(h) "Shareholders" means H.C.M., B.P. and Canada Packers, together with such other persons as may become parties to this Agreement, collectively and "Shareholder" means any one of such persons individually; and

(i) "Shares" means the shares of the Corporation that the Shareholders at the date hereof or hereafter may beneficially own.

Sections and Headings

1.02 The division of this Agreement into Articles and Sections and the insertion of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

Number

1.03 Words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and vice versa and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and vice versa.

Accounting Principles

1.04 Wherever in this Agreement reference is made to generally accepted accounting principles, such reference shall be deemed to be the generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute, applicable as at the date

on which such calculation is made or required to be made in accordance with generally accepted accounting principles.

ARTICLE TWO - FUNDING

Subscription for Common Shares

2.01 Forthwith after the execution of this Agreement, H.C.M. shall subscribe for 51 common shares in the capital of the Corporation and tender with such subscription the sum of $51 in full payment of the subscription price therefor, Canada Packers shall subscribe for 35 common shares in the capital of the Corporation and tender with such subscription the sum of $35 in full payment of the subscription price therefor and B.P. shall subscribe for 13 common shares in the capital of the Corporation and tender with such subscription the sum of $13 in full payment of the subscription price therefor.

Subscription for Class A Shares

2.02 Within 10 Business Days after receipt of a request from the board of directors of the Corporation H.C.M. shall subscribe for 480 Class A preferred shares in the capital of the Corporation and tender with such subscription the sum of $480,000 in full payment of the subscription price therefor and B.P. shall subscribe for 120 Class A preferred shares in the capital of the Corporation and tender with such subscription the sum of $120,000 in full payment of the subscription price therefor provided that H.C.M. and B.P. shall not be obliged to purchase such Class A preferred shares prior to May 1, 1985.

Additional Capital

2.03 (1) Notwithstanding any other provision contained in this Agreement, none of the Shareholders shall be under any obligation to contribute any additional capital to the Corporation.

(2) If any Shareholder agrees to contribute additional capital to the Corporation and such additional capital is to be contributed by way of loan or otherwise than by way of a subscription for shares and any other Shareholder is unable or unwilling to contribute a pro rata portion of additional capital based upon the number of shares owned by the Shareholders, any Shareholder who contributes such additional capital shall be entitled to repayment of the amount so contributed and/or to indemnification against liability on any guarantee or other liability incurred by such Shareholder in connection therewith by the Corporation in priority to any repayment by the Corporation of any indebtedness of the Corporation to any Shareholder who did not contribute additional capital at such time.

ARTICLE THREE - MANAGEMENT

Carrying out of the Agreement

3.01 The Shareholders shall at all times carry out and cause the Corporation to carry out the provisions of this Agreement.

Idem

3.02 Each of the nominee directors of the Shareholders, to the extent that a Shareholder is permitted by law to bind its nominee to do so, will act and vote as directors in order that the purpose, intent and provisions of this Agreement shall be carried out.

Idem

3.03 The Corporation confirms its knowledge of this Agreement and will carry out and be bound by the provisions of this Agreement to the full extent that it has the capacity and power at law to do so.

Directors

3.04 (1) The board of directors of the Corporation shall consist of five directors, two of whom shall be nominees designated by H.C.M., two of whom shall be nominees designated by Canada Packers and one of whom shall be a nominee designated by B.P.

(2) The Corporation shall reimburse each director for reasonble travelling expenses incurred to attend any meeting of the board of directors.

Auditor

3.05 Coopers & Lybrand shall be appointed the auditors of the Corporation unless, prior to the appointment of any other person as auditors of the Corporation, all of the Shareholders have consented in writing to such person being appointed and a copy of such consent has been filed with the Corporation.

Approval of Matters

3.06 (1) None of the following actions:

(a) any change in the articles or by-laws of the Corporation;

(b) any change in the authorized or issued capital of the Corporation;

(c) the entering into of any agreement or the making of any offer or the granting of any right capable of becoming an agreement to allot or issue any shares of the Corporation;

(d) any action which may lead to or result in a material change in the nature of the business of the Corporation;

(e) the entering into of any agreement other than in the ordinary course of the Corporation's business;

(f) any amendment to or waiver of rights of the Corporation under any agreement annexed as a schedule to the Foundation Agreement;

(g) the borrowing of any money, the giving of any security or the making or incurring of any single capital expenditure in excess of $10,000 or any capital expenditures which, in the aggregate, are in excess of $100,000 in any financial year of the Corporation;

(h) the sale, lease, exchange or disposition of the entire undertaking and assets of the Corporation or any substantial part thereof;

(i) the making of, directly or indirectly, loans or advances to, or the giving of security for or the guaranteeing of the debts of, any person;

(j) the declaration or payment of any dividend;

(k) any payment of fees to the directors as directors;

(l) the taking, holding, subscribing for or agreeing to purchase or acquire shares in the capital of any body corporate;

(m) the entering into of a partnership or of any arrangement for the sharing of profits, union of interests, joint venture or reciprocal concession with any person;

(n) the entering into of an amalgamation, merger or consolidation with any other body corporate; and

(o) the taking of any steps to wind up or terminate the corporate existence of the Corporation;

shall be taken by the Corporation unless:

(A) in the case of an action that by law requires the approval of the directors only:

(i) at least four directors at a properly constituted meeting of directors give their approval to such action by resolution; or

(ii) all of the directors consent to such action by an instrument or instruments in writing; and

(B) in the case of an action that by law requires the approval of the shareholders:

(i) at any meeting of holders of common shares duly called for the purpose of considering the proposed action, at least 75% of the votes are cast in favour of the action; or

(ii) all of the Shareholders consent to such action by an instrument or instruments in writing.

(2) Notwithstanding the provisions of Section 3.06(1), no dividend shall be declared or paid on any outstanding shares of the Corporation until the retained earnings of the Corporation are at least equal to its working capital requirements.

(3) Notwithstanding the provisions of Section 3.06(1), no action shall be taken to create a new class of shares equal or superior to the Class A preferred shares of the Corporation without the approval of the holders of all Class A preferred shares.

Enforcement of Rights

3.07 The Shareholders shall at all times cause the Corporation to enforce its rights under each of the agreements annexed to the Foundation Agreement unless all of the Shareholders have agreed in writing to the Corporation waiving any such right.

ARTICLE FOUR - DEALING WITH SHARES

No Transfer of Shares

4.01 Except as expressly provided for in this Article Four or in the Foundation Agreement, none of the Shareholders shall sell, transfer, assign, pledge, charge, mortgage or in any other way dispose of or encumber its Shares or its rights under this Agreement without first complying with all of the provisions of this Agreement unless, prior to the disposition or encumbrance of its Shares, all of the other Shareholders have consented in writing to such disposition or encumbrance.

Endorsement on Certificates

4.02 Share certificates of the Corporation shall bear the following language either as an endorsement or on the face thereof:

> "The shares represented by this certificate are subject to all the terms and conditions of an agreement made March 22, 1985, a copy of which is on file at the registered office of the Corporation."

Issue of Additional Shares

4.03 Subject to Article Two, if any additional shares of the Corporation are to be issued from treasury (other than any Series B preferred shares), the Corporation shall first offer such shares to the Shareholders by notice given to them of the Corporation's intention to issue additional shares and the number and class thereof to be so issued. The Shareholders shall have the right to purchase the shares so offered pro rata based upon the number of Shares beneficially owned by the Shareholders at the date notice is given of such offer. The Shareholders shall have 20 Business Days from the date such notice is given in which to take up and pay for all or any of the shares so offered. The shares that have not been taken up and paid for within the said 20 Business Days shall be offered again by the Corporation by notice given to those Shareholders who elected to take up and pay for all of the shares initially offered to them, and each of such Shareholders shall have the right to purchase the shares so offered pro rata based upon the number of Shares beneficially owned by the Shareholders at the date notice is given of such subsequent offer. Such Shareholders shall have 20 Business Days from the date such subsequent notice is given in which to take up and pay for all or any of the shares so offered, and so on from time to time until all the shares have been taken up or until all of the Shareholders have refused to take up any more, in which latter event the shares not so taken up may be issued to such persons as the directors in their discretion determine, provided that such persons agree to be bound by this Agreement and to become parties hereto.

Sale of Shares

4.04 (1) Any Shareholder (hereinafter in this Section 4.04 referred to as the "Offeror") who desires to sell all or any of its Shares shall give notice of such proposed sale (hereinafter in this Section 4.04 referred to as the "Notice") to the Corporation and to the other Shareholders and shall set out in the Notice the number of its Shares that it desires to sell (hereinafter in this Section 4.04 referred to as the "Offered Shares") and the terms upon which and the price at which it desires to sell the Offered

Shares (such price being hereinafter in this Section 4.04 referred to as the "Purchase Price").

(2) Upon the Notice being given, the other Shareholders (hereinafter in this Section 4.04 sometimes collectively referred to as the "Offerees" and sometimes individually referred to as an "Offeree") shall have the right to purchase all, but not less than all, of the Offered Shares for the Purchase Price. The Offerees shall be entitled to purchase the Offered Shares pro rata based upon the number of Shares beneficially owned by the Offerees or to purchase in such other proportion as the Offerees may agree in writing.

(3) Within 10 Business Days of having been given the Notice, each Offeree who desires to purchase all of the Offered Shares that it is entitled to purchase in accordance with the provisions of Section 4.04(2) shall give notice to the Offeror, to the Corporation and to the other Offerees. If any Offeree does not give such notice, the Offered Shares that it had been entitled to purchase (hereinafter in this Section 4.04(3) referred to as the "Rejected Shares") may instead be purchased by the Offerees who did give such notice, pro rata based upon the number of Shares beneficially owned by such Offerees as between themselves or in such other proportion as such Offerees may agree in writing, and, within five Business Days of the expiry of the 10 Business Day period specified in this Section 4.04(3), each Offeree who desires to purchase all of the Rejected Shares that it is entitled to purchase in accordance with the provisions of this Section 4.04(3) shall give an additional notice to the Offeror, to the Corporation and to the other Offerees. If any Offeree entitled to give the said additional notice does not do so, the Rejected Shares that it had been entitled to purchase may instead be purchased by the Offerees who did give such notice, and so on from time to time until the Offerees are willing to purchase all of the Offered Shares or until they are not willing to purchase any more. If the Offerees are willing to purchase all, but not less than all, of the Offered Shares, the transaction of purchase and sale shall be completed in accordance with the terms set out in the Notice.

(4) If the Offeror makes default in transferring the Offered Shares to the Offerees in accordance with the terms set out in the Notice, the Secretary of the Corporation is authorized and directed to receive the purchase money and to thereupon cause the names of the Offerees to be entered in the registers of the Corporation as the holders of the Shares purchasable by them. The said purchase money shall be held in trust by the Corporation on behalf of the Offeror and not commingled with the Corporation's assets, except that any interest thereon shall be for the account of the Corporation. The receipt by the Secretary of the Corporation for the purchase money shall be a good discharge to the Offerees and, after their names have been entered in the registers

of the Corporation in exercise of the aforesaid power, the validity of the proceedings shall not be subject to question by any person. On such registration, the Offeror shall cease to have any right to or in respect of the Offered Shares except the right to receive, without interest, the purchase price received by the Secretary of the Corporation.

(5) If the Offerees do not give notice in accordance with the provisions of Section 4.04(3) that they are willing to purchase all of the Offered Shares, the rights of the Offerees, subject as hereinafter provided, to purchase the Offered Shares shall forthwith cease and determine and, subject to the provisions of the Foundation Agreement, the Offeror may sell the Offered Shares to any person within four months after the expiry of the 10 Business Day period or five Business Day period , as the case may be, specified in Section 4.04(3), for a price not less than the Purchase Price and on other terms no more favourable to such person than those set forth in the Notice, provided that the person to whom its Shares are to be sold agrees prior to such transaction to be bound by this Agreement and the Foundation Agreement and to become a party hereto and thereto in place of the Offeror with respect to the Offered Shares. If the Offered Shares are not sold within such four month period on such terms, the rights of the Offerees pursuant to this Section 4.04 shall again take effect and so on from time to time.

Insolvency of a Shareholder

4.05 (1) If any Shareholder makes an assignment for the benefit of creditors or is the subject of any proceedings under any bankruptcy or insolvency law or takes steps to wind up or terminate its corporate existence (hereinafter in this Section 4.05 referred to as the "Offeror"), the other Shareholders (hereinafter in this Section 4.05 sometimes collectively referred to as the "Offerees" and sometimes individually referred to as an "Offeree") shall have the right to purchase all, but not less than all, of the Shares beneficially owned by the Offeror (hereinafter in this Section 4.05 referred to as the "Offered Shares").

(2) The Offerees shall be entitled to purchase the Offered Shares pro rata based upon the number of Shares beneficially owned by the Offerees or to purchase in such other proportion as the Offerees may agree in writing, at the price to be determined in accordance with the provisions of Section 4.05(3).

(3) The price of the Offered Shares shall be the fair value of such Shares as determined by the Accountant in accordance with generally accepted accounting principles as at the end of the fiscal quarter of the Corporation immediately preceding the fiscal quarter in which the event referred to in Section 4.05(1) occurred. Such determination shall be made in writing and given

to all of the Shareholders and to the Corporation within 20 Business Days of the date of the event referred to in Section 4.05(1) or as soon thereafter as may be reasonably possible.

(4) For the purpose of determining such fair value, the Accountant may appoint, at the expense of the Corporation, an independent valuer or appraiser to assist the Accountant in such determination. The report of the Accountant, when delivered to the Shareholders and to the Corporation, shall be conclusive and binding upon all parties.

(5) Within 10 Business Days of having been given the Accountant's report of the fair value of the Offered Shares, each Offeree who desires to purchase all of the Offered Shares that he is entitled to purchase in accordance with the provisions of Section 4.05(2) shall give notice to the Offeror, to the Corporation and to the other Offerees. If any Offeree does not give such notice, the Offered Shares that it had been entitled to purchase (hereinafter in this Section 4.05(5) referred to as the "Rejected Shares") may instead be purchased by the Offerees who did give such notice, pro rata based upon the number of Shares beneficially owned by such Offerees as between themselves or in such other proportion as such Offerees may agree in writing, and, within five Business Days of the expiry of the 10 Business Day period specified in this Section 4.05(5), each Offeree who desires to purchase all of the Rejected Shares that it is entitled to purchase in accordance with the provisions of this Section 4.05(5) shall give an additional notice to the Offeror, to the Corporation and to the other Offerees. If any Offeree entitled to give the said additional notice does not do so, the Rejected Shares that it had been entitled to purchase may instead be purchased by the Offerees who did give such notice, and so on from time to time until the Offerees are willing to purchase all of the Offered Shares or until they are not willing to purchase any more. If the Offerees are willing to purchase all, but not less than all, of the Offered Shares, the transaction of purchase and sale shall be completed within 20 Business Days of the expiry of the 10 Business Day period or five Business Day period , as the case may be, specified in this Section 4.05(5). The transaction shall be completed at the Corporation's registered office where delivery of the Offered Shares shall be made by the Offeror with good title, free and clear of all liens, charges and encumbrances, against payment by certified cheque by the Offerees.

(6) If the Offeror makes default in transferring the Offered Shares to the Offerees as provided for in this Section 4.05, the Secretary of the Corporation is authorized and directed to receive the purchase money and to thereupon cause the names of the Offerees to be entered in the registers of the Corporation as the holders of the Shares purchasable by them. The said purchase money shall be held in trust by the Corporation on behalf of the

Offeror and not commingled with the Corporation's assets, except that any interest accruing thereon shall be for the account of the Corporation. The receipt by the Secretary of the Corporation for the purchase money shall be a good discharge to the Offerees and, after their names have been entered in the registers of the Corporation in exercise of the aforesaid power, the validity of the proceedings shall not be subject to question by any person. On such registration, the Offeror shall cease to have any right to or in respect of the Offered Shares except the right to receive, without interest, the purchase price received by the Secretary of the Corporation.

(7) If the Offerees do not give notice in accordance with the provisions of Section 4.05(5) that they are willing to purchase all of the Offered Shares, the rights of the Offerees, subject as hereinafter provided, to purchase the Offered Shares shall forthwith cease and determine and, subject to the provisions of the Foundation Agreement, the Offeror may sell the Offered Shares to any person within four months after the expiry of the 10 Business Day period or five Business Day period , as the case may be, specified in Section 4.05(5), for a price not less than the price that would have been payable by the Offerees and on other terms no more favourable to such person than those that would have been applicable had the Offerees agreed to purchase the Offered Shares in accordance with the provisions of this Section 4.05, provided that the person to whom its Shares are to be sold agrees prior to such transaction to be bound by this Agreement and the Foundation Agreement and to become a party hereto and thereto in place of the Offeror with respect to the Offered Shares. If the Offered Shares are not sold within such four month period on such terms, the rights of the Offerees pursuant to this Section 4.05 shall again take effect and so on from time to time.

Controlled Company

4.06 (1) Notwithstanding any other provision of this Agreement, Canada Packers shall be entitled after giving notice to the other Shareholders and to the Corporation to sell, transfer and assign all, but not less than all, of the Shares beneficially owned by it to a corporation (hereinafter referred to as the "Permitted Transferee"), provided that the only other shareholders of the Permitted Transferee are Affiliates of Canada Packers and the Permitted Transferee has entered into an agreement prior to such transaction not to sell, transfer or assign such Shares except to another Affiliate of Canada Packers and to become a party hereto.

(2) Notwithstanding the completion of any sale of the Shares by Canada Packers to a Permitted Transferee pursuant to Section 4.06(1), Canada Packers shall:

(a) not sell, transfer, assign, pledge, charge or in any way dispose of or encumber its shares of the Permitted Transferee;

(b) continue to be bound by all the obligations hereunder as if it continued to be a Shareholder of the Corporation and perform such obligations to the extent that the Permitted Transferee fails to do so; and

(c) at all times be the legal and beneficial owner of shares carrying at least 51% of the issued and outstanding voting rights of the Permitted Transferee, which shares shall be sufficient, if exercised, to elect a majority of the board of directors of the Permitted Transferee.

ARTICLE FIVE - GENERAL

Benefit of the Agreement

5.01 This Agreement shall enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties hereto.

Arbitration

5.02 Except as otherwise herein provided, all disputes arising between the parties in connection with this Agreement shall be referred to a single arbitrator, if the parties agree upon one, otherwise to three arbitrators, one to be appointed by each party of three if there are three parties to the arbitration or one to be appointed by each party and the third to be appointed by the first-named arbitrators if there are two parties to the arbitration, and the arbitration shall be conducted in accordance with the Arbitration Act, R.S.P.E.I. 1974, Cap. A-14 and any amendments thereto.

Amendments and Waivers

5.03 No amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by all of the parties hereto. No waiver of any breach of any provision of this Agreement shall be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, shall be limited to the specific breach waived.

Assignment

5.04 Except as may be expressly provided in this Agreement, none of the parties hereto may assign its rights or obligations

under this Agreement without the prior written consent of all of the other parties hereto.

Termination

5.05 This Agreement shall terminate upon:

(a) the written agreement of all of the Shareholders;

(b) the dissolution or bankruptcy of the Corporation or the making by the Corporation of an assignment under the provisions of the Bankruptcy Act; or

(c) one Shareholder becoming the beneficial owner of all of the Shares.

Notices

5.06 (1) Any Communication shall be given in writing and may be given by personal delivery, by registered mail or by transmittal by telex addressed to the recipient as follows:

To H.C.M.:

H.C.M. INDUSTRIES Ltd.
c/o Mullin, Carr, Stevenson & MacKay
Barristers and Solicitors
50 Water Street
Charlottetown, P.E.I.
C1A 7L1

Telex No.: 8

Attention: John A. Carr

To B.P.:

B.P. Investment Inc.
c/o Scales, Jenkins & McQuaid
Barristers and solicitors
70 Kent Street
Charlottetown, P.E.I.
C1A 8B9

Telex No.: 014-44249

Attention: David H. Jenkins

To Canada Packers:

Canada Packers Inc.
95 St. Clair Avenue West
Toronto, Ontario
M4V 1P2

Telex No.: 06-22257

Attention: Secretary

To the Corporation:

Garden Province Meats (1985) Inc.
c/o Mullin, Carr, Stevenson & MacKay
Barristers and Solicitors
50 Water Street
Charlottetown, P.E.I.
C1A 7L1

Telex No.: N

Attention: John A. Carr

or such other address, telex number or individual as may be designated by notice by any party to the other. Any Communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third Business Day following the deposit thereof in the mail and, if given by telex, on the day of transmittal thereof. If the party giving any Communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such Communication shall not be mailed but shall be given by personal delivery or by telex.

(2) Any notice of a meeting of the directors or of the shareholders of the Corporation shall be accompanied by an agenda setting forth the matters to be dealt with at the meeting.

(3) Any notice of a meeting of the directors shall also be sent to each of the Shareholders.

Governing Law

5.07 This Agreement shall be governed by and construed in accordance with the laws of the Province of Prince Edward Island.

Attornment

5.08 For the purpose of all legal proceedings this Agreement shall be deemed to have been performed in the Province of Prince

Edward Island and the courts of the Province of Prince Edward Island shall have exclusive jurisdiction to entertain any action arising under this Agreement. Each of the parties hereby attorns to the jurisdiction of the courts of the Province of Prince Edward Island.

IN WITNESS WHEREOF the parties have executed this Agreement.

H.C.M. INDUSTRIES LTD.

Per: _____
President
c/s

_____
Secretary

CANADA PACKERS INC.

Per: _____
Vice-President
c/s

_____
Secretary

B.P. INVESTMENT INC.

Per: _____
President
c/s

_____
Secretary

GARDEN PROVINCE MEATS (1985) INC.

Per: _____
President
c/s

_____
Secretary

SCHEDULE "A"

FORM 4

LETTERS PATENT

COMPANIES ACT, R.S.P.E.I. 1974, CAP. C-15, S.4

LETTERS PATENT
INCORPORATING

GARDEN PROVINCE MEATS (1985) INC.

DATED March 21st 1985

BY THE HONOURABLE GEORGE R. McMAHON
Minister of Justice

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETING:

WHEREAS, the *Companies Act*, R.S.P.E.I. 1974, Cap. C-15, provides that the Minister may, by letters patent, grant a charter to one or more persons who apply therefor, constituting that person and others who may become shareholders in the company thereby created, a body corporate and politic for any purposes or objects to which the legislative authority of the Legislature extends, except trust companies and insurance companies.

AND WHEREAS an application has been filed to incorporate a company pursuant to the provisions of Part I of the Companies Act, under the name of GARDEN PROVINCE MEATS (1985) INC.

THEREFORE, the Minister of Justice under the authority of Part I of the Companies Act, by these presents, constitutes the applicants and such persons as may hereafter become shareholders in the company hereby created, a body corporate and politic under the above name, with all the rights and powers conferred by the said Act, pursuant to the provisions of the application which is attached hereto and forms part hereof.

DATED AT Charlottetown, Prince Edward Island,
the 21st day of March
1985

D/ MINISTER OF JUSTICE

FORM 1

APPLICATION FOR INCORPORATION

COMPANIES ACT, R.S.P.E.I. 1974, CAP. C-15, S.7(1)

TO: The Honourable The Minister of Justice

The undersigned applicants are desirous of obtaining letters patent under the provisions of the Prince Edward Island Companies Act constituting your applicants and such others as may become shareholders in the company thereby created, a body corporate and politic, as follows:

1. Applicants: (Attach list if more than 3)

John A. Carr (name)		Barrister & Solicitor (occupation)
21 MacKay Drive (address)		
Parkdale, P.E.I.		C1A 5W2 (postal code)
Shauna Sullivan Curley (name)		Barrister & Solicitor (occupation)
220 Fitzroy Street (address)		
Charlottetown, P.E.I.		C1A 1S7 (postal code)
Ellen Marie Connolly (name)		Legal Secretary (occupation)
Lower Marshfield Road (address)		
Charlottetown R.R. 3, P.E.I.		C1A 7J7 (postal code)

see attached list for additional applicants

2. Each of your applicants is of the full age of eighteen years.

3. The corporate name shall be: GARDEN PROVINCE MEATS (1985) INC.

4. The company shall be a private company. (public or private)

5. The restrictions if any on share transfers are set out in Schedule "A".

6. The purposes for which incorporation is sought by the applicants are set out in Schedule "A" attached hereto.

7. The registered office address shall be: 50 Water Street, P.O. Box 522, Charlottetown, P.E.I. C1A 7L1

8. The proposed amount of capital stock of the company is $ 11,200,100.00 and shall consist of: see attached sheet for details of capital stock

The capital of the company shall be at least equal to the sum of the aggregate par value of all issued shares having par value, plus (Check box A or B as applicable)

(A) ☐ _____ dollars (the blank space being filled in with some number representing one dollar or more) in respect to every issued share without par value.

OR

(B) ☐ the aggregate amount of consideration received by the company for the issuance of shares without par value

plus such amounts as, from time to time, by bylaw of the company, may be transferred thereto.

FORM 1

Application for Incorporation

1. Applicants: (continued from Page 1)

Susan E. Craig	Legal Secretary
293A Richmond Street	
Charlottetown, P.E.I.	C1A 1J8
Deborah A. Robinson	Legal Secretary
15 Belvedere Avenue	
Charlottetown, P.E.I.	C1A 6A9

9. First or Provisional directors (attach list if more than 3)

John A. Carr (name)		Barrister & Solicitor (occupation)
21 MacKay Drive (address)		
Parkdale, P.E.I.		C1A 5W2 (postal code)
Shauna Sullivan Curley (name)		Barrister & Solicitor (occupation)
220 Fitzroy Street (address)		
Charlottetown, P.E.I.		C1A 1S7 (postal code)
Ellen Marie Connolly (name)		Legal Secretary (occupation)
Lower Marshfield Road (address)		
Charlottetown R.R. 3, P.E.I.		C1A 7J7 (postal code)

see attached list for additional first or provisional directors

10. Beneficial owners of shares (attach list if more than 3)

John A. Carr (name)		Number & Type of Shares
21 MacKay Drive (address)		1 common share
Parkdale, P.E.I.		C1A 5W2 (postal code)
Shauna Sullivan Curley (name)		Number & Type of Shares
220 Fitzroy Street (address)		1 common share
Charlottetown, P.E.I.		C1A 1S7 (postal code)
Ellen Marie Connolly (name)		Number & Type of Shares
Lower Marshfield Road (address)		1 common share
Charlottetown R.R. 3, P.E.I.		C1A 7J7 (postal code)

see attached list for additional Beneficial owners of shares

11. We request the provisions set out in Schedule "B" to be embodied in the letters patent.

DATED at Charlottetown, in the County of Queens, in the Province of Prince Edward Island, this 21st day of March, 1985

SIGNATURE OF WITNESSES	SIGNATURE OF APPLICANTS
Linda E. Khaury	John A Carr
Linda E. Khaury	Shauna Sullivan Curley
Linda E. Khaury	Ellen Marie Connolly

(This application must be filed in duplicate)

Linda E. Khaury
Linda E. Khaury

Susan E. Craig
Deborah A Robinson

FORM 1

Application for Incorporation

9. **First or Provisional Directors:** (continued from Page 2)

Susan E. Craig	Legal Secretary
293A Richmond Street	
Charlottetown, P.E.I.	C1A 1J8
Deborah A. Robinson	Legal Secretary
15 Belvedere Avenue	
Charlottetown, P.E.I.	C1A 6A9

10. Beneficial Owners of Shares: (continued from Page 2)

Susan E. Craig	1 common share
293A Richmond Street	
Charlottetown, P.E.I.	C1A 1J8
Deborah A. Robinson	1 common share
15 Belvedere Avenue	
Charlottetown, P.E.I.	C1A 6A9

GARDEN PROVINCE MEATS (1985) INC.

The capital stock of the Company shall consist of:

(a) 100 authorized voting and fully participating common shares with a par value of $1.00 each;

(b) 1,200 authorized Class "A" preferred shares with a par value of $1,000.00 each, which shares may be issued from time to time. The holders of the Class "A" preferred shares shall be entitled to receive and the Company shall pay thereon, as and when declared by the Board of Directors, out of the monies of the Company properly applicable to the payment of dividends, fixed, non-cumulative preferential dividends at the rate of nine percent (9%) per annum, on dates to be fixed from time to time by Resolution of the Board of Directors. Holders of Class "A" preferred shares shall not have voting rights with respect to the Company, and these shares shall be non-convertible. The Class "A" preferred shares shall rank in priority to the common and Class "B" preferred shares with respect to dividend entitlement and with regard to access to the net assets of the Corporation in the event of liquidation or dissolution of the Corporation. In the event of liquidation or dissolution of the Corporation, or upon the distribution of assets for the purpose of winding up its affairs, the Class "A" preferred shares shall rank, as regards return of capital, in priority to the common and Class "B" preferred shares of the company, but shall have no prior right but only an equal right to receive dividends declared but not paid, and shall not confer any right to participate further in profits or assets;

(c) 10,000 authorized Class "B" preferred shares with a par value of $1,000.00 each, which shares may be issued from time to time in one or more series. There shall be no voting rights attached to these shares, and the shares are non-convertible. Holders of Class "B" preferred shares shall have no prior entitlement to dividends, but shall be entitled to rank in priority to the common shares solely with respect to a prior call on the net assets of the Corporation in the event of liquidation or dissolution of the Corporation.

FORM 1
SCHEDULE "A" Page 1 of 2

GARDEN PROVINCE MEATS (1985) INC.
(Company Name)

RESTRICTIONS ON SHARE TRANSFERS

(a) All share transfers will be subject to the provisions of a shareholders' agreement to be entered into by the beneficial owners of the shares, on or about the 22nd day of March, 1985.

(b) The shareholders of the Company may, by by-law, restrict or control any disposal or transfer of the Company's shares.

OBJECTS AND PURPOSES

The following are the objects and purposes for which incorporation is being sought:

1. (a) To own, operate and manage a kill, chill and cut plant for cattle, hogs, and other livestock.

(b) To carry on the business of wholesalers, retailers, importers, exporters, distributors and dealers in meat and meat products of every nature and kind.

(c) To own, operate and manage stockyards, warehouses, abattoirs, factories, farms and similar establishments.

(d) To treat, pack, process, store, sell and otherwise dispose of and deal in meat of all kinds and generally with respect to the foregoing to carry on the trade or business of salesman.

2. To take, lease, purchase or otherwise acquire, and to own, use, hold, sell, convey, exchange, mortgage, work, improve, develop, cultivate and otherwise handle, deal in and dispose of real estate, real property and any interest or right therein.

3. To purchase, lease, take in exchange or otherwise acquire lands or interests therein together with any buildings or structures that may be on the said lands or any of them, and to sell, lease, exchange and mortgage or otherwise dispose of the whole or any portion of the lands and all or any of the buildings and structures erected thereon, and to take such security therefore as may be deemed necessary.

. . . /2

GARDEN PROVINCE MEATS (1985) INC.

4. To take or hold mortgages for any unpaid balance of the purchase money on any of the lands, buildings, or structures so sold, and to sell, mortgage or otherwise dispose of said mortgages.

5. To buy, sell, manufacture and deal with goods, wares and merchandise of every kind and description, both wholesale and retail and to carry on a general trading and commercial business.

6. To operate or engage in any business whereof or wherein such operation or engagement may be incidental to, or deemed advantageous to the businesses above mentioned.

7. To raise and assist in raising money for, and to aid, by way of bonus, loan, promise, endorsement, guarantee or otherwise, any person or company with whom or which the Company may have business relations or any of whose shares, securities or other obligations are held by the Corporation, and to guarantee the performance of fulfillment of any contracts or obligations or any such person or corporation, and in particular, to guarantee the payment of the principal and interest on securities, mortgages, and liabilities of any such person or corporation.

8. To guarantee, with or without security, the performance of contracts and the performance of any obligations or undertakings of any other person, company, partnership, firm or association with whom or which the Company may have dealings, including the payment of dividends, interest, principal and premium, if any, of or on shares, bonds, debentures, or other securities and evidences of indebtedness and obligations of any such person, company, partnership, firm or association, and to accept as security for any loans and guarantees made or given by the corporation any security that may be offered by such person, company, partnership, firm or association, including shares, bonds, debentures, mortgages, pledges, liens or other securities or obligations or such other companies or of or upon the property of such persons, companies, partnerships, firms or associations.

9. To issue debentures and other securities of the company and to charge, mortgage, hypothecate, pledge all or any of the currently owned or subsequently acquired, real and personal, movable or immovable, property of the Corporation, including book debts, rights, powers, franchises and undertakings, for the purpose of securing any guarantee made or given by the Corporation.

10. To carry on any other business not incompatible with company law and which, in the opinion of the Directors, may be desirable for the company and conducive to its interests.

11. To have all the powers set out in Section 13 of the Companies Act, R.S.P.E.I. 1974, Cap. C-15, and amendments thereto.

12. In connection with the foregoing, to have all the rights, powers, franchises and privileges that a private individual might or could possess or enjoy.

FORM 1
SCHEDULE "B" Page 1 of 1

GARDEN PROVINCE MEATS (1985) INC.
(Company Name)

ADDITIONAL PROVISIONS TO BE EMBODIED IN THE LETTERS PATENT

None.

FORM 2

COMPANIES ACT, R.S.P.E.I. 1974, CAP. C-15, S.9(2)

CANADA
PROVINCE OF
PRINCE EDWARD ISLAND

IN THE MATTER of the Application for Letters Patent, under the provisions of the *Companies Act*, R.S.P.E.I. 1974, Cap. C-15, under the name GARDEN PROVINCE MEATS (1985) INC.

AFFIDAVIT

I, JOHN A. CARR of Parkdale

in the County of Queens, Province of Prince Edward Island,

MAKE OATH AND SAY AS FOLLOWS:

1. THAT I am one of the applicants named in the annexed application and have a full knowledge of the facts set out in the said application.

2. THAT the statements and allegations contained in the annexed application are true and correct according to the best of my knowledge, information and belief.

3. THAT I am advised and verily believe that the name Garden Province Meats (1985) Inc. is not the name of any other known corporation or association, incorporated or unincorporated, or of any syndicate or partnership or of any individual or any name under which any known business is being carried on or so nearly resembling the same as to be liable to be confused therewith, or otherwise on public grounds objectionable. Attached hereto as Exhibit "A" to this my affidavit is a Consent and Undertaking duly executed by the proper signing officers of Garden Province Meats Inc.

SWORN TO before me at Charlottetown
in Queens
County, Province of Prince Edward Island, this
21st day of March
19 85

JOHN A. CARR

Patricia (Dunn) MacDonald
A COMMISSIONER FOR TAKING
AFFIDAVITS IN THE SUPREME COURT

CONSENT AND UNDERTAKING

IN THE MATTER OF THE PETITION FOR INCORPORATION OF GARDEN PROVINCE MEATS (1985) INC.

TO: The Director of Corporations

Garden Province Meats Inc., a company incorporated under the laws of the Province of Prince Edward Island and having its head office at Charlottetown, Queens County, Prince Edward Island, hereby consents to the use of the name "Garden Province Meats (1985) Inc.", or any variation thereof acceptable to you, by a proposed corporation, the application for incorporation for which is being filed by John Carr and others.

Garden Province Meats Inc. hereby undertakes to surrender its charter or change its name on or before the 31st day of March, 1986 ~~December, 1985~~.

IN WITNESS WHEREOF the proper signing officers of Garden Province Meats Inc. have hereunto subscribed their hands and affixed the company seal this 20th day of March ~~February~~, A. D. 1985.

WITNESS:

GARDEN PROVINCE MEATS INC.

Per:

Per:

THIS IS EXHIBIT "A" REFERRED TO IN THE AFFIDAVIT OF John A. Carr SWORN BEFORE ME THIS 21st DAY OF March 19 85

A COMMISSIONER OF THE SUPREME COURT OF P.E.I.

DATED: March 20th, A. D. 1985.

IN THE MATTER OF THE PETITION FOR INCORPORATION OF GARDEN PROVINCE MEATS (1985) INC.

CONSENT AND UNDERTAKING

MULLIN, CARR, STEVENSON & MacKAY
BARRISTERS & SOLICITORS
50 Water Street
Charlottetown, P. E. I.

JAC/sec

FORM 3

ATTORNEY'S STATEMENT

COMPANIES ACT, R.S.P.E.I. 1974, CAP. C-15, S.8(3)

RE: Application for Incorporation of

GARDEN PROVINCE MEATS (1985) INC.

I, JOHN A. CARR of Parkdale, in Queens County, Province of Prince Edward Island, a practicing attorney in the Province, certify that I have examined the application for incorporation of Garden Province Meats (1985) Inc. and am of the opinion that it complies with the requirements of the *Companies Act*, R.S.P.E.I. 1974, Cap. C-15.

March 21st, 1985
Date

Signature

BY-LAW NO. 1

A by-law relating generally to
the transaction of the business and affairs of

GARDEN PROVINCE MEATS (1985) INC.

BE IT ENACTED as a by-law of the Company as follows:-

HEAD OFFICE

1. The head office of the Company shall be at McAleer Drive, Sherwood, Queens County, Prince Edward Island.

CORPORATE SEAL

2. The corporate seal of the Company shall be in the form impressed hereon. The board may approve the use of any document or class of documents of an engraved, printed or otherwise mechanically produced facsimile of the corporate seal which for such purpose shall be deemed to be the corporate seal of the Company.

MEETINGS OF SHAREHOLDERS

3. ANNUAL MEETING - The annual meeting of the shareholders shall be held at such time and on such day in each year as the board or the president may from time to time determine, for the purpose of hearing and receiving the reports and statements required by The Companies Act to be read at and laid before the Company at an annual meeting, electing directors, appointing an auditor and fixing or authorizing the board to fix his remuneration and for the transaction of such other business as may properly be brought before the meeting.

4. SPECIAL MEETING _ The board or the president or any two directors shall have power at any time to call a special meeting of the shareholders of the Company to be held at such time as may be determined by the board or the person calling the meeting. The phrase "special meeting of the shareholders" wherever it occurs in this by-law shall include a meeting of any class

or classes of shareholders, as well as a special general meeting of shareholders, and the phrase "meeting of shareholders" wherever it occurs in this by-law shall mean and include an annual meeting of shareholders and a special meeting of shareholders.

5. PLACE OF MEETING - Meetings of shareholders shall be held at the head office of the Company unless the board or the person calling the meeting determines that it shall be held at some other place.

6. NOTICES - Notice of the time and place of each meeting of shareholders and a copy of the agenda for the meeting shall be given not less than ten business days before the date on which the meeting is to be held to the auditor of the company, to the Government of Prince Edward Island as respresented by the Prince Edward Island Development Agency, and to each shareholder of record at the close of business on the day prior to that on which the notice is given who is entered on the books of the Company as the holder of one or more shares carrying the right to vote at the meeting. Notice of a special meeting of shareholders shall state the general nature of the business which is to be transacted at it. A meeting of shareholders may be held at any time without notice if all the shareholders entitled to vote thereat are present in person or represented by proxy or if a quorum is present and those not present or represented by proxy waive notice or sign the minutes thereof and if the auditor is present or waives such notice, and at such meeting any business may be transacted which the Company at an annual or special meeting of the shareholders may transact.

7. WAIVER OF NOTICE - Any meeting of the shareholders of the Company may be held without notice to transact any business whatsoever if all the shareholders by an instrument or instrument in writing (whether signed before, at or after the meeting) waive all notice of such meeting and of the business transacted or to be transacted thereat.

The Company may accept and act upon the written waiver of notice of any meeting of the shareholders and of the business transacted or to be transacted at any meeting, or any irregularity in or insufficiency of

any such notice, and any such waiver signed by a shareholder or the duly appointed proxy of any such shareholder (whether signed before, at or after the meeting) shall be as effective as due notice of such meeting to such shareholder.

8. QUORUM - Three shareholders representing in person or by proxy a majority of the issued and outstanding shares of the capital stock of the Company entitled to vote shall constitute a quorum for the transaction of business at any meeting of the shareholders of the Company, provided that proper notice has been given to all shareholders of the Company and to the Government of Prince Edward Island as represented by the Prince Edward Island Development Agency in accordance with Articles 6 and 7 hereof. In the absence of a quorum at any such meeting or any adjournment or adjournments thereof, a majority in voting interest of those present in person or by proxy and entitled to vote thereat may adjourn such meeting from time to time and if a quorum be represented at any such adjourned meeting any business can be transacted thereat which could have been transacted at the meeting as originally called.

9. CHAIRMAN, SECRETARY AND SCRUTINEERS - The President or, in his absence, a vice-president shall be chairman of any meeting of shareholders and if neither of the said officers be present within fifteen minutes from the time fixed for holding the meeting the shareholders present in person or represented by proxy shall choose one of the shareholders present in person to be chairman. If the Secretary of the Company be absent, the chairman shall appoint some person, who need not be a shareholder to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by a resolution or by the chairman with the consent of the meeting.

10. PERSONS ENTITLED TO BE PRESENT - The only persons entitled to attend a meeting of shareholders shall be those entitled to vote thereat, the auditor of the Company, two observers representing the Government of Prince

Edward Island, one observer representing the Prince Edward Island Hog Commodity Marketing Board, and others who although not entitled to vote are entitled or required under any provision of The Companies Act or the by-laws of the Company to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

11. RIGHT TO VOTE - At each meeting of the shareholders every shareholder shall be entitled to vote who is at the proper time entered in the books of the Company as the holder of one or more shares carrying the right to vote at such meeting and who is not in arrear in respect of any call, subject to the provisions of The Companies Act as to shares that have been mortgaged or hypothecated; provided that the board may fix a date not earlier than the fifth business day preceding the date of any meeting of shareholders as a record date for the determination of the persons entitled to vote thereat, in which case, provided such record date shall have been specified in the notice calling the meeting, only such persons as shall be entered as shareholders in the books of the Company at the close of business on such record date shall be entitled to attend and vote at said meeting or to be represented thereat by proxy, notwithstanding the transfer or issue of any shares after such record date.

12. REPRESENTATIVES - If a testator, intestate, mentally incompetent person, ward or cestui que trust is the registered holder of shares, his executor, administrator, committee, guardian or trustee upon filing with the secretary of the meeting sufficient proof of his appointment, shall at all meetings of the shareholders represent such shares and may vote accordingly as a shareholder in person or by proxy in the same manner and to the same extent as if he were the registered holder thereof. If there be more than one executor, administrator, committee, guardian or trustee, the provisions of clause 14 apply.

13. PROXIES - Every shareholder, including a corporate shareholder, entitled to vote at meetings of shareholders may by instrument in writing appoint a proxy, who need not be a shareholder, to attend and act at the meeting in the same manner, to the same extent and with the same power as if the shareholder were present at the meeting. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney, authorized in writing, or if the appointer is a corporation, under the corporate seal or under the hand of an officer or attorney so authorized, and shall cease to be valid after the expiration of one year from the date thereof. The instrument appointing a proxy may be in such form as the directors may from time to time prescribe or in such other form as the chairman of the meeting may accept as sufficient, and shall be deposited with the secretary of the meeting before any vote is cast under its authority, or at such earlier time and in such manner as the board may prescribe in accordance with the Companies Act.

14. JOINT REGISTERED HOLDERS - Where there are joint registered holders of any share or shares any one of such holders may vote at any meeting either personally or by proxy in respect of such share or shares as if such holder were solely entitled thereto, and if more than one of such holders be present at any meeting personally or by proxy that one of the said holders so present whose name stands first in the books of the Company or before the other or others in the books of the Company in respect of such share or shares shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased shareholder in whose name any share or shares stand on the books of the Company shall for the purposes of this paragraph be deemed joint holders thereof.

15. VOTES TO GOVERN - All questions proposed for the consideration of the shareholders of any meeting of shareholders, shall, unless otherwise required by the letters patent or by-laws of the Company or by law, or by provision of the shareholders agreement made the 22nd day of March, 1985,

between H.C.M. Industries Ltd., Canada Packers Inc., B.P. Investment Inc., and Garden Province Meats (1985) Inc., be determined by the majority of the votes duly cast on the question and the chairman of the meeting shall not be entitled to a second or casting vote in case of an equality of votes either upon a show of hands or upon a poll or ballot.

16. SHOW OF HANDS - At all meetings of shareholders every question shall be decided upon by a show of hands unless, after a show of hands, a poll thereon be required or demanded as provided in clause 17. Upon show of hands every person who is present and entitled to vote shall have one vote per voting share in the company. Whenever a vote by show of hands shall have been taken upon a question, unless a poll thereon be so required or demanded, a declaration by the chairman of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and entry to that effect in the minutes of the proceedings at the meeting shall be a prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the Company in annual or special meeting, as the case may be, upon the question.

17. POLLS - After a show of hands has been taken on any question the chairman may require or any shareholder present in person or represented by proxy and entitled to vote may demand a poll thereon. A poll so required or demanded shall be taken in such manner as the chairman shall direct. A demand for a poll may be withdrawn at any time prior to the taking of the poll. Upon a poll each shareholder who is present in person or represented by proxy shall be entitled to one vote for each share in respect of which he is entitled to vote at the meeting and the result of the poll shall be the decision of the Company in annual or special meeting, as the case may be, upon the question.

18 ADJOURNMENT - The Chairman at a meeting of shareholders may, with the consent of the meeting and subject to such condition as the meeting may decide, adjourn the meeting from time to time and from place to place.

DIRECTORS

19. POWERS OF DIRECTORS - The affairs of the Company shall be managed by its board of directors. The board of directors shall consist of five directors appointed in accordance with the provisions embodied in the letters patent of the company. Three directors shall constitute a quorum for the transaction of business at any meeting of the directors, provided however, that all the directors shall have received seven business days notice of the meeting and a proposed agenda, or have waived notice of such a meeting and of the business to be transacted thereat. Notwithstanding vacancies, the remaining directors may exercise all the powers of the board so long as a quorum of the board remains in office. The board of directors may hold a meeting by means of a conference telephone call, or any other electronic means whereby all members present can hear and be heard by each other.

20. QUALIFICATIONS - Each director shall be eighteen or more years of age.

21. ELECTION - Such board shall be elected, save as hereinafter provided, by the shareholders at the annual meeting of the Company (or, in default of election at such meeting, then at a special general meeting called for such purpose) and shall hold office (subject to the provisions of Section 22 of this By-Law) until the next annual meeting and/or until their successors are elected.

BALLOT - Such elections need not be by ballot unless demanded.

22. REMOVAL OF DIRECTORS - The shareholders may, by resolution passed by at least two-thirds of the votes cast at a general meeting of shareholders of which notice specifying the intention to pass such resolution has been given, remove the director or directors which it has appointed to the expiration of his or their term of office, and may appoint any person or persons in his or

their stead for the remainder of his or their term.

23. VACANCY - In the event of any vacancy in the Board of Directors occurring by reason of the death or resignation of any Director or by reason of any increase in the number of the Board of Directors under the provisions of The Companies Act or by reason of any other cause except removal by the shareholders as provided in Section 22 of this by-law, the Directors then in office, provided that they constitute a quorum, shall have power by resolution to fill the vacancy by appointment of a Director to hold office until the next succeeding annual meeting of shareholders and/or until his successor shall have been elected or appointed.

24. CALLING OF MEETINGS - Meetings of the board shall be held from time to time at such place, at such time and on such day as the chairman of the board (if one be elected) or the president or any two directors may determine, and the secretary shall call meetings when directed or authorized by the chairman of the board (if one be elected) or by the president or by any two directors. Notice of every meeting so called and the agenda shall be given to each director and each shareholder and each observer not less than seven business days (excluding days which are not business days) before the time when the meeting is to be held, save that no notice of a meeting shall be necessary if all the directors are present or if a quorum is present and those absent waive notice of or sign the minutes of or otherwise signify their consent to the holding of such meeting.

25. ORGANIZATION MEETINGS - Provided a quorum of directors be present, each newly elected board may without notice hold its first meeting, for the purpose of organization and the election and appointment of officers immediately following the meeting of shareholders at which such board is elected.

26. PLACE OF MEETING - Meetings of the board may be held at the head office of the Company or at any other place.

27. CHAIRMAN - The chairman of the board, or in his absence or if none be elected, the president, or, in his absence, the vice-president who

is a director shall be chairman of any meeting of directors; and if none of the said officers be present the directors present shall choose one of their number to be chairman.

28. VOTES TO GOVERN - At all meetings of the board every question shall be decided by a majority of the votes cast on the question; and in case of an equality of votes the chairman of the meeting shall not be entitled to a second or casting vote, provided however, that the provisions of a shareholders agreement dated the 22nd day of March, 1985, between H.C.M. Industries Ltd., Canada Packers Inc., B.P. Investment Inc., and Garden Province Meats (1985) Inc. shall apply with respect to percentage votes required with respect to certain questions set out in that agreement.

29. REMUNERATION OF DIRECTORS - The directors shall be paid such remuneration, if any, as the board may from time to time determine. Any remuneration so payable to a director who is also an officer or employee of the Company or who is counsel or solicitor to the Company or otherwise serves it in a professional capacity shall, unless the board shall otherwise determine, be in addition to his salary as such officer or employee or to his professional fees as the case may be. The directors shall also be paid such sums in respect of their out-of-pocket expenses incurred in attending board, committee or shareholders meetings or otherwise in respect of the performance by them or their duties as the board may from time to time determine. No confirmation by the shareholders of any such remuneration or payment shall be required.

30. INTEREST OF DIRECTORS IN CONTRACTS - No director shall be disqualified by his office from contracting with the Company but it shall be the duty of every director who is in any way directly or indirectly interested in a contract or proposed contract with the Company to declare such interest in the manner and at the time required by The Companies Act. If a director has so declard his interest in respect of a contract or proposed contract and has not voted in respect thereof, such director shall not be accountable to the Company or to any of its shareholders or creditors for any profit realized therefrom and such contract shall not be voidable by reason only of such

director holding that office or of the fiduciary relationship established thereby.

31. PROTECTION OF DIRECTORS AND OFFICERS - No director or officer of the comapny shall be liable for the acts, receipts, neglects or defaults of any other director or officer, or for joining in any receipts or other act for conformity, or for any loss or expense happening to the company through the insufficiency or deficiency of title to any property acquired by order of the board for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys arising from the bankruptcy, insolvency or tortious act of any person with whom any of the moneys, securities or effects of the Company shall be deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.

32. INDEMNITY OF DIRECTORS AND OFFICERS - Every director or officer of the Company and his heirs, executors and administrators and estate and effects respectively, shall, from time to time and at all times, be indemnified and saved harmless out of the funds of the Company, from and against:

(a) All costs, charges and expenses whatsoever which such director or officer sustains or incurs in or about any action, suit or proceeding which is brought, commenced or prosecuted against him, for or in respect of any act, deed, matter or thing whatsoever made, done, or permitted by him, in or about the execution of the duties of his office.

(b) All other costs, charges and expenses which he sustains or incurs in or about or in relation to the affairs thereof except such costs, charges or expenses as are occasioned by his own wilful neglect or default.

33. DIVIDENDS - The Board of Directors may from time to time declare and provide for the payment of dividends out of the profits or surplus funds of the Company, provided, however, that no dividend shall be declared when the Company is insolvent or which renders the Company insolvent or which will

impair the capital of the Company, provided further that no dividend shall be paid until the retained earnings of the Company are at least equal to its working capital requirement.

OFFICERS

34. ELECTED AND APPOINTED OFFICERS - At the first meeting of the board after each election of directors, and from time to time as may be required, the board shall elect from among its members a president and may elect from among its members a chairman of the board. At the first meeting of the board after each election of directors, and from time to time as may be required, the board shall appoint a secretary, and may appoint one or more vice-presidents, a general manager, a treasurer, and such other officers as the board may determine including one or more assistants to any of the officers so appointed. The officers so appointed may but need not be members of the board. One person may hold more than one office (except that the president may not hold the office of secretary) and if the same person holds both the office of secretary and the office of treasurer, he may but need not be known as secretary- treasurer.

35. TERM OF OFFICE AND REMUNERATION - If the president or the chairman of the board ceases to be director his term of office shall expire. Otherwise, the term of office of the officers elected or appointed by the board shall not expire by reason only of the election of a new board or the failure to elect or appoint officers at the proper time. The board may remove at any time any officer of the Company. The terms of employment and remuneration of the president and other officers elected or appointed by it shall be settled from time to time by the board.

36. PRESIDENT - The president shall have and be charged with general supervision over the business and affairs of the Company. Except when the board has appointed a general manager or managing director, the president shall also have the powers and be charged with the duties of that office.

37. VICE-PRESIDENT - During the absence or inability to act of the president his duties may be performed and his powers may be exercised by the vice-president, or if there are more than one, by the vice-presidents in order of seniority (as determined by the board) save that no vice-president shall

preside at or convene a meeting of the board or a meeting of shareholders unless he is qualified to attend the meeting as a director or a shareholder, as the case may be. If a vice-president exercises any such duty or power, the absence or inability of the president shall be presumed with reference thereto. A vice-president shall also perform such duties and exercise such powers as the president may from time to time delegate to him or the board may prescribe.

38. SECRETARY - The Secretary shall be custodian of the Seal of the Company and shall, except as the Directors may otherwise determine, have charge of all the books and records of the Company; he shall under the direction of the officers or the Board of Directors as in this By-Law provided issue all notices and call all meetings of shareholders and of the Board of Directors; he shall attend all such meetings; and he shall also keep or cause to be kept a set of books wherein shall be recorded:

(a) a copy of the Letters Patent and of any Supplementary Letters Patent issued to the Company and of all by-laws of the Company;

(b) the names, alphabetically arranged of all persons who are and have been shareholders of the Company;

(c) the address and calling of every such person, while such shareholder as far as can be ascertained;

(d) the names, addresses and calling of all persons who are or have been Directors of the Company, with the several dates at which each became or ceased to be such Director;

(e) the number of shares of each class held by each shareholder;

(f) the amounts paid in and remaining unpaid, respectively, on the shares of each shareholder.

The Secretary shall also attend to such other duties as may be assigned to him by the Board of Directors from time to time.

39. TREASURER - The Treasurer shall keep full and accurate books of account in which shall be recorded all receipts and disbursements of the Company and, under the direction of the board, shall control the deposit of money, the safekeeping of securities and the disbursements of the funds of the Company; he shall render to the board at the meetings thereof, or whenever required of him, an account of all his transactions as treasurer and of the financial position of the Company, and he shall perform such other duties as may from time to time be prescribed by the board.

40. OTHER OFFICERS - The duties of all other officers of the Company shall be such as the terms of their engagement call for or the board requires of them. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board otherwise directs.

41. VARIATION OF DUTIES - From time to time the board may vary, add to or limit the powers and duties of any officer.

42. AGENTS AND ATTORNEYS - The board shall have power from time to time to appoint agents and attorneys for the Company in or out of Prince Edward Island with such powers of management or otherwise (including the power to sub-delegate) as may be thought fit.

43. FIDELITY BONDS - The board may require such officers, employees and agents of the Company as the board deems advisable to furnish for the faithful discharges of their duties, in such form and with such surety as the board may from time to time prescribe.

BANKING ARRANGEMENTS AND EXECUTION OF DOCUMENTS

44. BANKING ARRANGEMENTS - The banking business of the Company,

or any part thereof, shall be transacted with such bank, trust company or other firm or corporation carrying on a banking business as the board may designate, appoint or authorize from time to time by resolution and all such banking business, or any part thereof, shall be transacted on the Company's behalf by such one or more officers and/or other persons as the board may designate, direct or authorize from time to time by resolution and to the extent therein provided, including, but without restricting the generaltiy of the foregoing, the operation of the Company's accounts; the making, signing, draving, acception, endorsing, negotiating, lodging, depositing or transferring of any cheques, promissory notes, drafts, acceptances, bills of exchange and orders for the payment of money; the giving of receipts for and orders relating to any property of the Company; the execution of any agreement relating to any such banking business and defining the rights and powers of the parties thereto; and the authorizing of any officer of such banker to do any act or thing on the Company's behalf of facilitate such banking business.

45. DOCUMENTS UNDER SEAL - All contracts, deeds and other documents and instruments to which the Seal of the Company must be affixed may be signed by or on behalf of the Company by the President or an Vice-President and by the Secretary or the Treasurer, or an Assistant-Secretary or an Assistant Treasurer, or by any person or persons that the Board of Directors may from time to time designate, and, when so signed and sealed with the seal of the Company and delivered, shall be received as the act of the Company.

46. BY-LAWS AND RESOLUTIONS - Copies of by-laws, resolutions or other proceedings of the Board of Directors or shareholders of the Company may be certified under the Corporate Seal of the Company by the Secretary or an Assistant-Secretary or by any other officer of the Company appointed to perform this duty by the Board of Directors.

47. OTHER DOCUMENTS - All other contracts, agreements, engagements, or instruments may be signed by or on behalf of the Company by such officer, Director, agent or attorney as the Board of Directors may from time to time by resolution appoint to perform such duties.

SHARES

48. ALLOTMENT - The board may from time to time allot or grant options to purchase the whole or any part of the authorized and un-issued shares of the Company, including any shares created by supplementary letters patent increasing or otherwise varying the capital of the Company, to such person or persons or class of persons as the board shall by resolution determine. Any such allotment or granting of options by the board shall be in accordance with any shareholders agreement which may be in force at the time of such allotment or granting of option.

49. PAYMENT OF COMMISSIONS - The board may pay commissions to persons in consideration of their subscribing or agreeing to subscribe, whether absolutely or conditionally, for shares of the Company, or procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for such shares, but not such commission shall exceed twenty-five per cent of the amount of the subscription.

50. CALLS - The board may from time to time by resolution call in and, by notice thereof in writing in accordance with The Companies Act demand from the shareholders the whole or any part of the amount unpaid on shares held by them, at such times and places and in such payments or installments as the board thinks fit or the terms of issue of such shares require or allow.

51. FORFEITURE - If after demand made as aforesaid, any call of installment thereof is not paid in accordance with the demand, the board may forfeit any shares as provided in The Companies Act and the shares so forfeited shall become the property of the Company and may be sold, re-alloted or otherwise disposed of in such manner as the board may think fit.

52. SHARE CERTIFICATES - Every shareholder shall be entitled, without payment, to a share certificate stating the number and class of share held by him as shown by the books of the Company. Share certificates shall be in such form or forms as the board shall from time to time approve. Unless otherwise ordered by the board, they shall be signed by the chairman of the board (if one be elected), the president or vice-president and by the secretary

or an assistant secretary and need not be under the corporate seal; provided that certificates representing shares in respect of which a transfer agent and registrar, (which term shall include a branch transfer agent and registrar) have been appointed shall not be valid unless countersigned by or on behalf of such transfer agent and registrar. The signature of one of the signing officers, or in the case of share certificates representing shares in respect of which a transfer agent and registrar have been appointed, the signatures of both signing officers, may be mechanically reproduced in facsimile upon share certificates and every such facsimile signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Company. Share certificates executed as aforesaid shall be valid notwithstanding that one or both thereon no longer holds office at the date of issue or delivery of the certificate.

53. REPLACEMENT OF SHARE CERTIFICATES - The board or any officer designated by the board may in its or his discretion direct the issue of a new share certificate in lieu of and upon cancellation of a share certificate that has become mutilated or in substitution for share certificate that has been lost, stolen or destroyed upon payment of such fees, if any, not exceeding one dollar and on such terms as to indemnity and as to evidence of loss and of title as the board may from time to time prescribe, whether generally or in any particular case.

54. TRANSFER OF SHARES - Shares of the Company shall be transferable only on the register of transfers or on one of the branch registers of transfers (if any) kept by or for the Company in respect thereof, by the registered holder of such shares in person or by attorney duly authorized in writing upon surrender of the certificate representing such shares properly endorsed or accompanied by a properly executed instrument of transfer. The number of shareholders shall be restricted to not more than twenty (two or more persons holding one or more shares jointly being counted as a single shareholder), not including persons who are in the employment of the Company and persons, who having been formerly in the employment of the Company, were, while in that employment

and have continued to be after the termination of that employment, shareholders of the Company. Furthermore, the right to transfer shares shall be restricted in that no share shall be transferred except pursuant to the provisions of the shareholders' agreement made March 22, 1985 without either (a) the previous consent of the Directors of the Company expressed by a resolution passed by the Board of Directors or by an instrument or instruments in writing signed by a majority of the Directors, or (b) the previous consent of the holders of at least a majority of the shares for the time being outstanding expressed by a resolution passed by the shareholders or by an instrument in writing signed by such shareholders.

55. REFUSAL TO REGISTER TRANSFER - The board may refuse to permit the registration of a transfer of fully paid shares of the Company registered in the names of a shareholder who is indebted to the Company.

56. RECORD DATE - The board may fix in advance a date preceding by not more than thirty-one days the date for the payment of any dividend or the date for the issue of any warrant or other evidence of right to subscribe for shares or securities of the Company as a record date for the determination of the persons entitled to receive payment of such dividend or to exercise the right to subscribe for such shares or securities, as the case may be, and in every such case only such persons as shall be shareholders of record at the close of business on the date so fixed shall be entitled to receive payment of such dividend or to exercise the right to subscribe for such shares or securities and to receive the warrant or other evidence in respect of such right, as the case may be, notwithstanding the transfer or issue of any shares after any such record date fixed as aforesaid.

57. JOINT SHAREHOLDERS - If two or more persons are registered as joint holders of any share, any one of such persons may give effectual receipts for the certificate issued in respect thereof and for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such share, but all the joint holders of a share shall be severally as well as jointly liable for the payment of all calls and demands payable in respect thereof.

FINANCIAL

58. FISCAL YEAR - The first fiscal period of the Company shall end on the 31st day of March, 1986, and thereafter shall commence on the 1st day of April in each year and shall end on the 31st day of March next following.

59. DIVIDENDS - Subject to any shareholders agreement enforced from time to time, the board may declare dividends payable to the shareholders according to their respective rights and interests in the Company. A dividend payable in cash shall be paid by cheque drawn on the Company's bankers or one of them to the order of each registered holder of shares of the class in respect of which it has been declared and mailed by ordinary mail, postage prepaid, to such registered holder at his last address appearing on the books of the Company, unless such holder otherwise directs. In the case of joint holders the cheque shall, unless such joint holders otherwise direct be made payable to the order of all such joint holders and if more than one address appears on the books of the Company in respect of such joint holding the cheque shall be mailed to the first address so appearing. The mailing of such cheque as aforesaid shall satisfy and discharge all liability for the dividends to the extent of the sum represented thereby, unless such cheque be not paid at par on due presentation. In the event of non-receipt of any dividend cheque by the person to whom it is so sent as aforesaid, the Company shall issue to such person a replacement cheque for a like amount upon being furnished with such indemnity and evidence of non-receipt as the board may from time to time prescribe, whether generally or in any particular case.

60. PURCHASE OF BUSINESS AS OF PAST DATE - Where any business is brought by the Company as from a past date (whether such date be before or after the incorporation of the Company) upon terms that the Company shall as from that date take the profits and bear the losses of the business, such profits or losses as the case may be shall, at the discretion of the directors, be credited or debited wholly or in part to revenue account, and in that case the amount so credited or debited shall, for the purpose of ascertaining the fund available for dividends, be treated as a profit or loss arising from the business of the Company.

NOTICES

61. METHODS OF GIVING - Any notice, communication or other document to be given by the Company pursuant to any provision of the letters patent or the by-laws of the Company or of The Companies Act to a shareholder, director, officer or auditor of the Company shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to his last address as recorded in the books of the Company or if mailed by prepaid registered or airmail in a sealed envelope addressed to him at his last address as recorded in the books of the Company or if sent by any means of telegram or telex or any other form of recorded communication. The Secretary may change the address on the books of the Company of any shareholder in accordance with any information believed by him to be reliable. A notice, communication or document so delivered shall be deemed to have been given when it is delivered personallyor at the address aforesaid; and a notice, communication or document so mailed shall be deemed to have been given on the third business day following deposit in a post office; and a notice snet by any means of telegram or telex or any other form of recorded communication shall be deemed to have been given when delivered to the appropriate communication company or agency or its representative for despatch.

62. NOTICE TO JOINT SHAREHOLDERS - All notices with respect to any shares registered in more than one name may if more than one address appears on the books of the Company in respect of such joint holding, be given to such joint shareholders at the first address so appearing, and notice so given shall be sufficient notice to all the holders of such shares.

63. COMPUTATION OF TIME - In computing the date when notice must be given under any provision of the letters patent or by-laws requiring a specified number of days notice of any meeting or other event, the date of giving the notice and the date of the meeting or other event shall be excluded.

64. OMISSIONS AND ERRORS - The accidental omission to give notice to any shareholder, director, officer or auditor or the non-receipt of any notice by any shareholder, director, officer or auditor or any error in any notice not affecting the substance thereof shall not invalidate any action

taken at any meeting held pursuant to such notice or otherwise founded thereon.

65. PERSONS ENTITLED BY DEATH OR OPERATION OF LAW - Every person who by operation of law, transfer, death of a shareholder or by any other means whatsoever, shall become entitled to any share or shares, shall be bound by every notice in respect of such share or shares which shall have been duly given to a person from whom he derives his title to such share or shares, previously to his names and address being entered on the books of the Company (whether it be before or after the happening of the event upon which he became so entitled).

66. WAIVER OF NOTICE - Any shareholder (or his duly appointed proxy), director, officer or auditor may waive any notice required to be given under any provision of the letters patent or by-laws of the Company or of The Companies Act, and such waiver, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in giving such notice.

INTERPRETATION

67. INTERPRETATION - In this by-law, all other by-laws and all special resolutions of the Company, words importing the singular number only shall include the plural word and vice versa; words importing the masculine gender shall include the feminine and neuter genders; words importing persons shall include companies, corporations, partnerships and any number or aggregate of persons; "board" shall mean the board of directors of the Company, "letters patent" shall include supplementary letters patent, "business day" shall mean a day of the week other than Saturday, Sunday or a day which is a bank holiday in the City of Charlottetown; "The Companies Act" shall mean The Companies Act, R.S.P.E.I. 1975, Chapter 15, as amended from time to time or any Act that may hereafter be substituted therefore; the "Company" means Garden Province Meats (1985) Inc.

PASSED by the directors and sealed with the corporate seal this 22nd day of March , 1985.

President

Secretary

SCHEDULE "B"

LIMITED PARTNERSHIP AGREEMENT

BETWEEN

GARDEN PROVINCE MEATS (1985) INC.

- and -

CANADA PACKERS INC.

- and -

PRINCE EDWARD ISLAND DEVELOPMENT AGENCY

TABLE OF CONTENTS

LIMITED PARTNERSHIP AGREEMENT

ARTICLE ONE - INTERPRETATION

Definitions 1
Sections and Headings 3
Number 3
Accounting Principles 3
Schedule 3

ARTICLE TWO - FORMATION OF THE PARTNERSHIP

Formation 3
Effective Date 4

ARTICLE THREE - PARTNERSHIP NAME AND PRINCIPAL OFFICE

Name 4
Offices 4

ARTICLE FOUR - PURPOSE AND POWERS OF PARTNERSHIP

Purpose 4
Powers of General Partner 4
Restrictions on Limited Partners 4
Duty of General Partner 5
Qualification 5
Title to Partnership Properties 5
Loans by General Partner 5

ARTICLE FIVE - CAPITAL CONTRIBUTIONS

Admission of Limited Partners 5
Contributions by Limited Partners 6
Capital Accounts - Capital 6
Current Accounts - Profits and Losses 6
Individuality of Limited Partners 6

ARTICLE SIX - ALLOCATIONS AND DISTRIBUTIONS

Allocations 6
Partnership Interests 6
Investment Tax Credit 7
Distributions 7
Filing of Amended Declaration 7
Interest on Capital 7
Consents 7

ARTICLE SEVEN - ACCOUNTING AND REPORTING

Fiscal Year 7
Books and Records 8
Auditors 8
Annual Financial Information 8
Quarterly Financial Information 8

ARTICLE EIGHT - REGISTER OF PARTNERS AND TRANSFER OF INTERESTS

Register of Limited Partners 8
Transfer 9

ARTICLE NINE - ADMINISTRATION OF PARTNERSHIP BUSINESS

Bank Accounts 9
Cheques 10
Prohibition from Commingling of Funds 10
Investments 10
Prohibition from Guarantees 10
Maximum Deductions 10
Sale of Assets 11

ARTICLE TEN - LIABILITY OF PARTNERS; INSURANCE

Liability of General Partner 11
Liability of Limited Partners 11
Indemnification by General Partner 11
Insurance 12

ARTICLE ELEVEN - REIMBURSEMENT OF GENERAL PARTNER

ARTICLE TWELVE - CHANGE OF GENERAL PARTNER

Prohibition from Transfer by General Partner 12
Resignation by General Partner 12
Removal of General Partner 13
Transfer of Management to New General Partner 13

ARTICLE THIRTEEN - MEETINGS

Calling Meetings 13
Notice of Meetings 14
Quorum 14
Votes 14
Proxies 15
Validity of Proxies 15
Chairman 15
Attendance by General Partner 15

ARTICLE FOURTEEN - AMENDMENTS

Amendment by Extraordinary Resolution 15
Amendment by General Partner 16
Notice 16

ARTICLE FIFTEEN - POWER OF ATTORNEY

Power of Attorney 16

ARTICLE SIXTEEN - DISSOLUTION AND LIQUIDATION OF THE PARTNERSHIP

Dissolution 17
Receiver 18
Distributions Upon Termination 18
Term 19

ARTICLE SEVENTEEN - GENERAL

Notices 19
Further Assurances 19
Counterparts 19
Benefit of the Agreement 19
Governing Law 19
Attornment 19

LIMITED PARTNERSHIP AGREEMENT

THIS AGREEMENT of limited partnership made the 22nd day of March, 1985;

B E T W E E N:

GARDEN PROVINCE MEATS (1985) INC., a corporation incorporated under the laws of the Province of Prince Edward Island, as the General Partner

- and -

CANADA PACKERS INC., a corporation incorporated under the laws of Canada, as a Limited Partner

- and -

PRINCE EDWARD ISLAND DEVELOPMENT AGENCY, a Crown corporation incorporated by a special act of the Legislature of Prince Edward Island

- and -

THE PARTIES who from time to time execute a Subscription Form and who are accepted as Limited Partners

ARTICLE ONE - INTERPRETATION

Definitions

1.01 In this Agreement, unless something in the subject matter or context is inconsistent herewith:

(a) "Act" means the Limited Partnership Act of Prince Edward Island as now enacted or as the same may from time to time be amended, re-enacted or replaced;

(b) "Extraordinary Resolution" means:

(i) a resolution submitted to a meeting of Limited Partners duly called for the purpose of considering such resolution and passed by Limited Partners

holding an aggregate Percentage Interest in the Partnership of not less than 66 2/3% thereof actually present or represented by proxy and voting on such resolution at such meeting; or

(ii) a resolution consented to in writing by Limited Partners holding an aggregate Percentage Interest in the Partnership of not less than 66 2/3% thereof then outstanding and entitled to vote;

(c) "General Partner" means Garden Province Meats (1985) Inc. and each other party who may become a new or an additional general partner;

(d) "Limited Partner" means at any particular time the parties to this Agreement who have executed the Agreement as limited partners;

(e) "Limited Partners' Contributions" or "Aggregate Subscriptions" means the total amount of capital from time to time agreed to be contributed to the Partnership by all Limited Partners;

(f) "Partners" means the General Partner together with the Limited Partners;

(g) "Partnership" means the Limited Partnership formed pursuant to the terms of this Agreement and under the Act;

(h) "Partnership Declaration" means the Declaration filed and recorded under the Act, forming the Partnership pursuant to the Act, as the Declaration is from time to time amended;

(i) "Partnership Properties" means all of the properties and assets, tangible or intangible, in which the Partnership has an interest, legal, beneficial or otherwise, from time to time or at any time;

(j) "Percentage Interest in the Partnership" or "Percentage Share" of a Limited Partner means the amount, expressed as a percentage, obtained by dividing the capital contributed to the Partnership by the Limited Partner by the total capital contributed to the Partnership by all Limited Partners multiplied by 100;

(k) "Subscription Form" means the form annexed hereto as Schedule A; and

(1) "Tax Act" means the Income Tax Act of Canada as now enacted or as the same may from time to time be amended, re-enacted or replaced.

Sections and Headings

1.02 The division of this Agreement into Articles and Sections and the insertion of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

Number

1.03 Words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and vice versa and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and vice versa.

Accounting Principles

1.04 Wherever in this Agreement reference is made to generally accepted accounting principles, such reference shall be deemed to be to the generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute, applicable as at the date on which such calculation is made or required to be made in accordance with generally accepted accounting principles.

Schedule

1.05 Schedule A is annexed hereto and incorporated by reference and deemed to be part hereof.

ARTICLE TWO - FORMATION OF THE PARTNERSHIP

Formation

2.01 The parties hereto hereby enter into the Partnership and shall execute and file the Partnership Declaration and such other documents as may be required under the Act.

Effective Date

2.02 The Partnership shall be effective on the date of filing under the Act of the Partnership Declaration duly executed by the Partners.

ARTICLE THREE - PARTNERSHIP NAME AND PRINCIPAL OFFICE

Name

3.01 The business of the Partnership shall be conducted under the firm name and style of "G.P.M. Limited Partnership".

Offices

3.02 The principal place of business and office of the Partnership is Sherwood, Prince Edward Island at:

MacAleer Drive
Sherwood, P.E.I.

3.03 The location of the principal office of the Partnership in Prince Edward Island may be changed from time to time by the General Partner giving notice in writing to that effect to all Limited Partners.

ARTICLE FOUR - PURPOSE AND POWERS OF PARTNERSHIP

Purpose

4.01 The purpose of the Partnership shall be to construct, own and operate a plant with a capacity to kill, cut and chill 5,000 hogs per week on a split-shift basis and 200 cattle per week on a single-shift basis.

Powers of General Partner

4.02 The General Partner shall have full power and authority to transact the business of the Partnership and to deal with and in the Partnership Properties for the use and benefit of the Partnership and, for these purposes, the General Partner shall have sole, complete and plenary power and authority to manage and carry on the business thereof and to do any and all acts and things required in connection therewith, including the purpose set out in subsection 4.01.

Restrictions on Limited Partners

4.03 No Limited Partner shall have either the obligation or the right, power or authority to participate in the management or the conduct of the business of the Partnership, or to transact any

business on account thereof, or to bind the Partnership in any way, or to sign any document or instrument for or on behalf of the Partnership.

Duty of General Partner

4.04 The General Partner shall exercise the powers and discharge the duties given it hereunder honestly and in good faith with a view to the best interests of the Partnership.

Qualification

4.05 The Partnership shall qualify to do business in the Province of Prince Edward Island as a limited partnership under the applicable laws and regulations thereof. The Partnership shall likewise so qualify to engage in business in other jurisdictions wherever the General Partner shall determine that it is appropriate for the Partnership to be so qualified or otherwise to be registered.

Title to Partnership Properties

4.06 For administrative convenience, and without altering or affecting the rights, titles and interests created hereby, the Partners hereby agree that the Partnership Properties may be held in the name of the General Partner or other person designated by the General Partner, as nominee for the Partnership, and for the use and benefit of the Partners in accordance with the terms and provisions hereof, until such time as the General Partner shall determine that it is appropriate or advisable for such Partnership Properties to be held or registered in the name of the Partnership, another nominee or otherwise. Such holding of such Partnership Properties shall not prevent the vesting of the legal and beneficial title thereto in the Partnership in the manner and at the time otherwise provided.

Loans by General Partner

4.07 The General Partner shall from time to time lend funds without interest to the Partnership to enable the Partnership to complete construction of and to operate the plant referred to in Section 4.01.

ARTICLE FIVE - CAPITAL CONTRIBUTIONS

Admission of Limited Partners

5.01 The General Partner may admit Limited Partners at any time provided that such admission is approved by Extraordinary Resolution and such Limited Partners execute and deliver to the General Partner a Subscription Form and the capital contribution

referred to therein or become a substituted Limited Partner pursuant to Section 8.02.

Contributions by Limited Partners

5.02 Each of the Limited Partners hereby agrees and obligates itself to contribute and to pay in cash or property of an equal value the contributions to Partnership capital set forth on its Subscription Form.

Capital Accounts - Capital

5.03 An individual capital account shall be maintained in the records of the Partnership for each Partner, to which account shall be credited or debited each such Partner's contributions and withdrawals or returns of capital.

Current Accounts - Profits and Losses

5.04 An individual current account shall be maintained in the records of the Partnership for each Partner to which account shall be credited or debited the respective interest and share of such Partner in the profits and losses of the Partnership in accordance with the terms and provisions hereof.

Individuality of Limited Partners

5.05 No Limited Partner shall be responsible for any of the losses of any other Partner nor share in the income attributable to the Percentage Interest in the Partnership of any other Partner.

ARTICLE SIX - ALLOCATIONS AND DISTRIBUTIONS

Allocations

6.01 Each Partner's share of the income, profits, losses and expenses (allocable to the Partners under applicable tax law) of the Partnership shall be allocated proportionately to the Partners in accordance with their respective interest in the Partnership as determined by Section 6.02 hereof at the end of each fiscal year of the Partnership. All allocations shall be made as of the end of each fiscal year of the Partnership.

Partnership Interests

6.02 The interests at any time of the Partners in the Partnership shall be:

(a) Limited Partners - 99%; and
(b) General Partner - 1%

and the interest of any Limited Partner in the aggregate interest of the Limited Partners in the Partnership shall be the Percentage Interest in the Partnership of the Limited Partner.

Investment Tax Credit

6.03 The investment tax credit determined in respect of the Partnership under section 127(9) of the Tax Act at the end of each fiscal year of the Partnership shall be allocated to the Limited Partners and the share of any Limited Partner therein shall be the Percentage Interest in the Partnership of the Limited Partner.

Distributions

6.04 The Partnership shall on the last day of each quarter of each fiscal year of the Partnership (or more often if the General Partner so elects) pay to each Partner, in accordance with Section 6.02, such portion of the cash of the Partnership (other than Limited Partners' Contributions) which is surplus to the amounts which the General Partner, in its discretion, considers should reasonably be retained for use in Partnership operations.

Filing of Amended Declaration

6.05 The Partnership Declaration, as filed, shall be amended from time to time to reflect any return of capital.

Interest on Capital

6.06 Except as otherwise expressly provided herein, the Limited Partners as such shall not receive any payment from the Partnership by way of interest on invested capital or otherwise.

Consents

6.07 The General Partner and each Limited Partner hereby consent to all withdrawals or returns of capital made pursuant to the terms hereof.

ARTICLE SEVEN - ACCOUNTING AND REPORTING

Fiscal Year

7.01 The fiscal year of the Partnership shall end on the second last Saturday in March in each year or such other date as the Partnership may determine and all financial aspects of the business of the Partnership shall be accounted for in accordance with generally accepted accounting principles consistently applied.

Books and Records

7.02 The General Partner shall keep and maintain full and complete books of account and records of the Partnership at its principal place of business and elsewhere as may be advisable, and all of the Partners shall have the right to inspect and make copies or take extracts from such books of account and records, and other information required by law during normal business hours.

Auditors

7.03 The auditors of the Partnership shall be Coopers & Lybrand, Chartered Accountants.

Annual Financial Information

7.04 The General Partner shall forward to each Limited Partner, within 120 days of the end of each fiscal year of the Partnership, audited financial information of the Partnership for such fiscal year together with all such information as may be necessary to enable each Limited Partner to file all returns with any Canadian government having jurisdiction to levy taxes with respect to the income of the Partnership. The General Partner shall forward to each Limited Partner the annual audited financial statements of the General Partner within 120 days of the end of each fiscal year of the General Partner.

Quarterly Financial Information

7.05 The General Partner shall not later than 60 days from the date to which they are made up forward to each Limited Partner quarterly financial information of the Partnership.

ARTICLE EIGHT - REGISTER OF PARTNERS AND TRANSFER OF INTERESTS

Register of Limited Partners

8.01 The General Partner shall at all times maintain a register of Limited Partners at its office in P.E.I. which register shall contain the name, address and Percentage Interest in the Partnership held by each Limited Partner. The said register shall be available for inspection by any Limited Partner or his representative at reasonable times and a copy of the register will be provided to any Limited Partner on payment of the costs of reproduction. The name, address and Percentage Interest in the Partnership held by such Limited Partner as reflected from time to time in the Partnership Declaration, as from time to time amended, shall be prima facie evidence as to such facts for all purposes of this Agreement.

Transfer

8.02 A Limited Partner may assign its Percentage Interest in the Partnership provided that no assignee is entitled to become or be recognized as a substituted Limited Partner unless:

(a) such assignment is in respect of at least 10% of the Percentage Interest in the Partnership of all Limited Partners;

(b) the assignee delivers to the General Partner a transfer in form satisfactory to the General Partner duly executed by the assignor and the assignee together with a copy of the Partnership Agreement duly executed by or on behalf of the assignee;

(c) the certificate evidencing the assigned Percentage Interest in the Partnership is surrendered to the General Partner in exchange for a new certificate therefor in the name of the assignee (unless the General Partner is satisfied such certificate has been lost or destroyed); and

(d) the assignee signs such documents as the General Partner may require to ensure payment of any unpaid portion of the Limited Partners' Contribution then payable by the Assignor.

8.03 Upon any assignment of a Percentage Interest in the Partnership, the General Partner shall cause the Partnership Declaration to be appropriately amended and filed in accordance with the requirements of the Act to reflect such assignment and substitution.

ARTICLE NINE - ADMINISTRATION OF PARTNERSHIP BUSINESS

Bank Accounts

9.01 All funds of the Partnership, including Limited Partners' Contributions, shall be deposited in one or more accounts with such Canadian chartered banks as the General Partner deems advisable. The General Partner will establish a separate bank account for the Partnership and will not deposit funds of the Partnership with any bank unless such bank shall first have acknowledged in writing to the Partnership that:

(a) the bank shall consider such funds to be trust funds, for all purposes including the Bankruptcy Act (Canada), held for the Partnership as a limited partnership and not funds of the General Partner;

(b) the bank will not have direct or indirect recourse by way of set-off or otherwise against the Partnership's account for borrowings of or by the General Partner on behalf of any other limited partnerships of which the partner may be the general partner; and

(c) the bank will not directly affect the operations of or make any set-offs against the Partnership's account in connection with any borrowings of the General Partner on its own behalf.

Cheques

9.02 All funds in such Partnership accounts shall be withdrawn or withdrawable only upon the cheque, draft or other written order signed by the General Partner, or such other person or persons authorized so to do by the General Partner.

Prohibition from Commingling of Funds

9.03 The funds of the Partnership shall not be commingled with the funds of the General Partner, or of any associate or affiliate thereof, or of any partnership in which the General Partner or such associate or affiliate is a partner or manager.

Investments

9.04 The General Partner shall invest or cause to be invested funds not immediately required for the operations of the Partnership only in securities of, or those guaranteed by, the Government of Canada or any province of Canada, or in prime commercial paper, or certificates of deposit or interest bearing accounts of Canadian chartered banks or trust companies, provided that such obligations and certificates of deposit mature not more than one year from the date of such investment.

Prohibition from Guarantees

9.05 The General Partner shall not endorse any mercantile paper or in any manner become or act as guarantor or surety or bondsman for any person for and on behalf of the Partnership, nor shall the General Partner, in the name of the Partnership, make, draw, endorse, accept or sign any cheque, note, draft, bill of exchange, bond or obligation of any description for the accommodation of any other person.

Maximum Deductions

9.06 The General Partner shall cause the Partnership, in calculating its income or loss for income tax purposes for any fiscal year, to deduct the maximum amounts of capital cost

allowance and such other deductions as may be available to the Partnership for that year.

Sale of Assets

9.07 The General Partner, except pursuant to dissolution, shall cause the Partnership to refrain from selling or otherwise disposing of all or in excess of 75% in value of the Partnership Properties unless sanctioned by an Extraordinary Resolution.

ARTICLE TEN - LIABILITY OF PARTNERS; INSURANCE

Liability of General Partner

10.01 The General Partner has unlimited liability for the liabilities and obligations of the Partnership.

Liability of Limited Partners

10.02 The liability of each Limited Partner for the liabilities and obligations of the Partnership is limited to the amount such Limited Partner contributed or agreed to contribute to the Partnership set forth in his Subscription Form plus his pro rata share of the undistributed assets of the Partnership. A Limited Partner will have no further personal liability for such liabilities and obligations and following the payment of the amount referred to in his Subscription Form a Limited Partner will not be subject to, or be liable for, any further calls or assessments or further contributions to the Partnership.

Indemnification by General Partner

10.03 The General Partner will allow the Partnership to carry on business other than in the Province of Prince Edward Island only in such manner or by such means as ensure that limitation of liability of the Limited Partners, as recognized under the provisions of the Act, is effective in the jurisdiction in which such business is to be carried on. The General Partner shall indemnify and hold harmless each of the Limited Partners for all costs and damages incurred by the Limited Partner that result from not having limited liability other than any lack of limited liability caused by any act or omission of such Limited Partner. The General Partner shall indemnify and hold harmless each of the Limited Partners for all costs, other than tax liabilities of the Limited Partners, and damages incurred by that Limited Partner as a result of such Limited Partner rightfully receiving the return of the capital of his contribution. The General Partner shall indemnify the Partnership for all damages incurred by the Partnership as a result of an act of negligence or misconduct of the General Partner including that part of the legal expenses incurred by the Partnership to defend an action based in whole or in part

upon an allegation that the General Partner has been guilty of negligence or misconduct, if such defence is substantially unsuccessful, as is reasonably referrable to such allegation. If any such action alleging negligence or misconduct is settled by the General Partner such action will be deemed, for the purposes of this Section 10.03, to have been unsuccessfully defended unless the settlement is approved by an Extraordinary Resolution of Limited Partners.

Insurance

10.04 The General Partner shall purchase, in the name of the Partnership, liability, casualty and other insurance of such types and coverages as the General Partner considers appropriate.

ARTICLE ELEVEN - REIMBURSEMENT OF GENERAL PARTNER

11.01 The Partnership shall reimburse the General Partner for all actual and necessary general and administrative costs incurred by the General Partner in connection with the business of the Partnership, the reasonableness of which will be passed on by the Partnership's auditors in conjunction with their preparation of the annual audited financial statements of the Partnership. The decision of the auditors shall be final and binding on all Partners.

ARTICLE TWELVE - CHANGE OF GENERAL PARTNER

Prohibition from Transfer by General Partner

12.01 The General Partner shall not sell, assign or otherwise dispose of its interest as the general partner of the Partnership unless sanctioned by an Extraordinary Resolution or unless it is in connection with a merger or amalgamation resulting in a surviving or continuing corporation that is the General Partner.

Resignation by General Partner

12.02 The General Partner may, following approval by an Extraordinary Resolution, resign as General Partner after at least 60 days prior notice to the Limited Partners. In addition, the General Partner shall be deemed to have resigned upon the bankruptcy or liquidation of the General Partner. In the case of any proposed, actual or deemed resignation of the General Partner, a new general partner shall be appointed by Extraordinary Resolution, unless the Partnership is terminated pursuant to the provisions hereof, and no such resignation or removal shall be effective until after a replacement General Partner is appointed.

Removal of General Partner

12.03 The General Partner may be removed as General Partner by a resolution passed unanimously by the Limited Partners if at the time of such resolution the General Partner is in default of any obligation contained in this Agreement and such default has continued for at least 30 days following receipt of written notice to remedy such default from any Limited Partner. The removal of the General Partner will be effective upon completion of all of the following:

(a) the Limited Partners, by Extraordinary Resolution, will appoint an additional General Partner to assume the responsibilities and rights of the General Partner as manager of the Partnership;

(b) the additional General Partner shall purchase and the General Partner will sell one half of its interest in the Partnership (excluding any interest as a Limited Partner) for the sum of $10; and

(c) the additional General Partner will execute this Agreement and will assume and have the sole right to exercise all rights and the sole right to perform all obligations of the General Partner effective as at the date of payment of the purchase price set forth in paragraph (b) above.

Transfer of Management to New General Partner

12.04 After an assignee of the General Partner, or a replacement for the General Partner, or an additional General Partner, signs a copy of this Agreement, it shall become the General Partner and thereafter have all the rights, benefits, privileges and obligations of the General Partner and the General Partner shall do all things and shall take all steps to immediately and effectively transfer the management and operation, assets, books, computer data, tapes, records and accounts of the Partnership to the new or additional General Partner including the execution of all deeds, certificates, declarations and other documents whatsoever which may be necessary to effect such change and to convey all the assets of the Partnership to the new or additional General Partner of the Partnership.

ARTICLE THIRTEEN - MEETINGS

Calling Meetings

13.01 The General Partner may at any time and from time to time and shall, upon receipt of a written request from Limited

Partners holding 10% of the Percentage Interest in the Partnership, convene a meeting of Limited Partners. The General Partner shall call an annual meeting of Limited Partners within six months after the end of each fiscal year of the Partnership for the purpose of appointing auditors and reviewing the annual financial statements of the Partnership and the affairs of the Partnership. If the General Partner fails to call a meeting within 15 days after receipt of such written request by Limited Partners any Limited Partner may call such a meeting. Every meeting shall be held at a reasonable time and place on the Province of Prince Edward Island.

Notice of Meetings

13.02 At least 21 days' notice of any meeting (and not more than 50 days' notice) shall be given to the Limited Partners (and to the General Partner if the meeting has been called by a Limited Partner). Such notice shall state the time when and place where the meeting is to be held and shall state briefly the general nature of the business to be transacted thereat.

Quorum

13.03 Those Limited Partners actually present in person or represented by proxy at the annual meeting of the Limited Partners at which only the business described in Section 13.01 is to be transacted shall constitute a quorum. At all other meetings of the Limited Partners, a quorum shall consist of those Limited Partners present in person or by proxy and representing at least 25% of the Percentage Interests in the Partnership at the time of such meeting. If a quorum of Limited Partners shall not be present within 30 minutes from the time fixed for holding any such meeting, the meeting shall be adjourned to the date 14 days later (unless such day is a non-business day in which case it shall be adjourned to the next business day thereafter) at the same time and place. Upon such an adjournment at least seven days' notice of the adjourned meeting shall be given to the Limited Partners (and to the General Partner if the meeting as adjourned had been called by a Limited Partner). At the adjourned meeting the Limited Partners present in person or by proxy shall constitute a quorum and may transact the business for which the meeting was originally convened notwithstanding that they may not represent 25% of the Percentage Interests in the Partnership from time to time and at the time of such meeting.

Votes

13.04 On any question submitted to a meeting each Limited Partner shall be entitled to cast one vote for each one Percentage Interest in the Partnership held and, except as otherwise specified in this Agreement, questions shall be decided by a majority

of votes cast thereon. In no event shall the General Partner be entitled to a vote in respect of any Percentage Interest in the Partnership held by it upon an Extraordinary Resolution under Section 10.03 hereof.

Proxies

13.05 Votes at meetings of the Limited Partners may be cast personally or by proxy. The instrument appointing a proxy shall be in writing and in such form as is prescribed from time to time by the General Partner and if executed by a corporation shall be signed by an officer or attorney duly authorized in writing. Proxies shall cease to be valid one year from their date. Any individual may be appointed a proxy.

Validity of Proxies

13.06 A vote cast in accordance with the terms of an instrument of proxy shall be valid notwithstanding the revocation of the proxy or transfer of the Percentage Interests in the Partnership in respect of which the proxy was given, provided that no intimation in writing of such revocation or transfer shall have been received at the place of meeting prior to the time fixed for the holding of the meeting.

Chairman

13.07 The first item of business at each meeting shall be the election of a chairman of the meeting.

Attendance by General Partner

13.08 Officers and directors of the General Partner shall have the right to attend in their capacity as such at any meeting of Limited Partners and to address any such meeting on the matters properly before it, but the General Partner in its capacity as a general partner shall not have a vote at any such meeting.

ARTICLE FOURTEEN - AMENDMENTS

Amendment by Extraordinary Resolution

14.01 Subject to Section 14.02 hereof, this Agreement may only be amended by Extraordinary Resolution concurred in by the General Partner provided, however, that no amendment shall be made to this Agreement which would have the effect of reducing the interest in the Partnership of the Limited Partners, changing the liability of any Limited Partner, allowing any Limited Partner to exercise

control of the business of the Partnership or changing the Partnership from a limited partnership to a general partnership.

Amendment by General Partner

14.02 The General Partner may, without prior notice to or consent from any Limited Partner, amend any provision of this Agreement from time to time:

(a) for the purpose of adding to this Agreement any further covenants, restrictions, deletions or provisions which in the opinion of counsel to the Partnership are for the protection of the Limited Partners;

(b) to cure an ambiguity, clerical error or manifest mistake or to correct or supplement any provisions contained herein which in the opinion of counsel to the Partnership may be defective or inconsistent with any other provision contained herein provided, in the opinion of such counsel, the cure, correction or supplemental provision does not and will not adversely affect the interests of the Limited Partners; or

(c) to make such other provisions in regard to matters or questions arising under this Agreement which in the opinion of counsel to the Limited Partnership do not and will not adversely affect the interest of the Limited Partners.

Notice

14.03 Limited Partners shall be notified of full details of any amendment to this Agreement within 30 days of the effective date of the amendment.

ARTICLE FIFTEEN - POWER OF ATTORNEY

Power of Attorney

15.01 Each Limited Partner hereby irrevocably makes, constitutes and appoints the General Partner and any successor to the General Partner or any additional General Partner under the terms of this Agreement, as its true and lawful attorney and agent, with full power and authority in its name, place and stead to do all of the following, namely:

(a) to execute, swear to, acknowledge, deliver, file and record in the appropriate public offices

(i) all declarations, certificates and other instruments which the General Partner deems appropriate

or necessary to qualify, or to continue the qualification of, the Partnership as a limited partnership in the jurisdictions in which the Partnership may conduct its business;

(ii) all instruments which the General Partner deems appropriate to reflect any amendment, change or modification of the Partnership in accordance with the terms of this Agreement;

(iii) all conveyances and other instruments or documents which the General Partner deems appropriate to reflect the dissolution and liquidation of the Partnership pursuant to the terms of this Agreement; and

(iv) all instruments relating to the admission of additional or substituted, or withdrawal of, Limited Partners; and

(b) to execute and file with any government body any documents which might be filed or which might be required to be filed in connection with the business of the Partnership.

The foregoing power of attorney is hereby declared by each Limited Partner to be an irrevocable power coupled with an interest and it shall survive the death or dissolution, as the case may be, of the Limited Partner and shall extend to the heirs, executors, administrators, successors and assigns of each Limited Partner. Each Limited Partner hereby agrees to be bound by any act of the General Partner and any successor thereto while acting in good faith pursuant to the within power of attorney and each Limited Partner hereby waives any and all defences which may be available to him to contest, negate or disaffirm the action of the General Partner and any successor thereto taken in good faith in accordance with the terms of the within power of attorney.

ARTICLE SIXTEEN - DISSOLUTION AND LIQUIDATION OF THE PARTNERSHIP

Dissolution

16.01 Dissolution of the Partnership and the termination thereof shall occur:

(a) 30 days following the bankruptcy, dissolution or winding-up of the General Partner unless replaced as permitted under Article Twelve;

(b) upon written request by the General Partner then managing the business of the Partnership and the consent of Limited Partners by Extraordinary Resolution;

(c) upon the expiration of the term of this Partnership Agreement as provided in Section 16.06;

(d) if the General Partner is in default of any obligation or representation contained in this Agreement and such default has continued for at least 90 days following receipt of written notice to remedy such default from any Limited Partner, then on a resolution passed unanimously by the Limited Partners at a meeting called for that purpose;

whichever of the said events shall be the first to occur.

Receiver

16.02 The General Partner shall serve as the receiver of the Partnership upon its dissolution. If the General Partner is unable or unwilling to act in such capacity, the Limited Partners shall appoint some other appropriate person or party to act as the receiver of the Partnership. The receiver shall proceed diligently to wind up the affairs of the Partnership and to distribute the net proceeds from the sale of the assets thereof. During the course of such liquidation the receiver shall operate the Partnership Properties and undertaking of the Partnership and in doing so shall be vested with all the powers and authority of the General Partner in relation to the Partnership under the terms of this Agreement. The receiver shall be paid its reasonable fees and disbursements incurred in carrying out its duties as such.

Distributions Upon Termination

16.03 Upon termination of the Partnership, its liabilities and obligations to creditors shall be paid and the remaining Partnership Properties, or the proceeds from the sale thereof, if any, shall then be distributed in accordance with Article Six hereof. In making distributions among Limited Partners, the distribution shall be allocated to the Limited Partners in accordance with the Percentage Interest in the Partnership of each Limited Partner.

16.04 Except as otherwise provided herein, no Partner shall have the right to demand and receive a return of its contributed capital in a form other than cash provided, however, that nothing herein is to be construed so as to prohibit such a return of contributed capital in a form other than cash.

16.05 In no event and under no circumstances shall a Partner be entitled, whether during the existence of the Partnership or

following its termination, to compel a partition, judicial or otherwise, of any of the Partnership Properties or have the same distributed to the Partners, either in kind or otherwise.

Term

16.06 The Partnership shall continue for a term commencing on the date of filing of the Partnership Declaration pursuant to the Act and ending on December 31, 2000 unless sooner terminated as provided herein.

ARTICLE SEVENTEEN - GENERAL

Notices

17.01 All notices relating to this Partnership shall be given by mail, telex or telegram addressed to the Partners at their respective addresses on the register referred to in Section 8.01.

Further Assurances

17.02 Each of the Partners for itself, its heirs, executors, administrators, successors and assigns, hereto covenants and agrees that it shall from time to time and at such times as may be required, execute such further agreements, supplemental agreements, assurances of title and other documents and instruments as may be reasonably required to carry out Partnership business and to give effect to the provisions hereof.

Counterparts

17.03 This Agreement may be signed in any number of counterparts, each of which shall be an original and all of which taken together shall constitute one agreement.

Benefit of the Agreement

17.04 This Agreement shall survive the termination of the Partnership and shall enure to the benefit of and be binding upon each of the Partners and their heirs, executors, administrators, successors and assigns.

Governing Law

17.05 This Agreement shall be governed by and construed in accordance with the laws of the Province of Prince Edward Island.

Attornment

17.06 For the purpose of all legal proceedings this Agreement shall be deemed to have been performed in the Province of Prince

Edward Island and the courts of the Province of Prince Edward Island shall have exclusive jurisdiction to entertain any action arising under this Agreement. Each of the parties hereby attorns to the jurisdiction of the courts of the Province of Prince Edward Island.

IN WITNESS WHEREOF the parties have executed this Agreement.

GARDEN PROVINCE MEATS (1985) Inc.

Per: _____
President

c/s

_____
Secretary

CANADA PACKERS INC.

Per: _____
Vice-President

c/s

_____
Secretary

PRINCE EDWARD ISLAND DEVELOPMENT AGENCY

Per: _____

c/s

_____

SCHEDULE "A"

SUBSCRIPTION FORM AND POWER OF ATTORNEY

TO: G.P.M. Limited Partnership

AND TO: Garden Province Meats (1985) Inc.

The undersigned hereby subscribes for a limited partnership interest in G.P.M. Limited Partnership (the "Partnership") and tenders herewith the sum of $ as a capital contribution to the Partnership. The undersigned acknowledges that participation in the Partnership is subject to the acceptance of this Subscription by Garden Province Meats (1985) Inc. as General Partner.

In consideration of Garden Province Meats (1985) Inc. accepting this Subscription and conditional thereon, the undersigned hereby irrevocably constitutes and appoints the General Partner of the Partnership with full power of substitution as its true and lawful attorney and agent, with full power and authority, in its name, place, and stead to execute, deliver, swear to, file and record in the appropriate public office any and all of the following:

(a) the Limited Partnership Agreement, all declarations, certificates, and other instruments and amendments thereto necessary to qualify or continue the Partnership as a limited partnership in all jurisdictions in which the Partnership may conduct business or own property;

(b) all declarations, instruments and certificates necessary to reflect any amendment to the Limited Partnership Agreement;

(c) all conveyances and other instruments necessary to reflect the dissolution and termination of the Partnership, including cancellation of any declaration or certificate.

The power of attorney hereby granted shall be deemed to be coupled with an interest and shall be irrevocable and shall survive the death or dissolution, as the case may be, of the

undersigned and shall extend to the heirs, executors, administrators, successors and assigns of the undersigned.

DATED at _____, in the Province of _____ the ____ day of _____, 1985.

_____ ____
(Witness)

_____
Name (please print)

Per:_____

c/s

_____

_____
(Address)

This Subscription is accepted by the General Partner on the ____ day of _____, 1985.

Garden Province Meats (1985) Inc.

Per: _____

c/s

_____

SCHEDULE "C"

MANAGEMENT AGREEMENT

between

G.P.M. LIMITED PARTNERSHIP

- and -

CANADA PACKERS INC.

TABLE OF CONTENTS

ARTICLE ONE - INTERPRETATION

Definitions 1
Sections and Headings 3
Number 4

ARTICLE TWO - APPOINTMENT AND TERM

Appointment 4
Relationship 4
Standard of Care 4
Term 4

ARTICLE THREE - CONDITIONS PRECEDENT TO OBLIGATIONS

Conditions Precedent 4
Rescission 5

ARTICLE FOUR - DUTIES AND AUTHORITY

The Partnership 6
Canada Packers 6
Capital Alterations 7
Employees 8
Receipt and Disbursement 8
Budgets and Statements 9

ARTICLE FIVE - MANAGEMENT FEE

Expenses 9
Payment 10

ARTICLE SIX - INDEMNITY

Canada Packers 10
The Partnership 10
Survival 11

ARTICLE SEVEN - TERMINATION

12 Months Notice 11
Default 11
Amendment to Agreements 12
Destruction 12
Obligations of Canada Packers 12
Obligations of The Partnership 13
Additional Notice 13

ARTICLE EIGHT - GENERAL

Insurance for Acts of Employees	13
Canada Packers' Other Plants	13
Inspections	13
Co-Operation with Auditors	13
Force Majeure	14
Confidential Information	14
Arbitration	14
Further Assurances	14
Benefit of the Agreement	15
Amendments and Waivers	15
Assignment	15
Notices	15
Governing Law	16
Attornment	16

MANAGEMENT AGREEMENT

THIS AGREEMENT made the 22nd day of March, 1985

B E T W E E N:

G.P.M. LIMITED PARTNERSHIP, a limited partnership formed under the laws of the Province of Prince Edward Island (hereinafter referred to as the "Partnership"),

OF THE FIRST PART,

- and -

CANADA PACKERS INC., a corporation incorporated under the laws of Canada (hereinafter referred to as "Canada Packers"),

OF THE SECOND PART.

WHEREAS the Partnership proposes to construct the Plant and Garden Province Meats (1985) Inc. ("Garden Province Meats") is the general partner of the Partnership and has the authority to enter into agreements on behalf of the Partnership; and

WHEREAS Canada Packers is engaged in the meatpacking business in Canada and other countries; and

WHEREAS the Partnership has asked Canada Packers to manage the Plant on behalf of the Partnership and Canada Packers has agreed to manage the Plant, upon the terms and subject to the conditions set forth herein;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE ONE - INTERPRETATION

Definitions

1.01 In this Agreement, unless something in the subject matter or context is inconsistent herewith:

(a) "Affiliate" means, with respect to the relationship between corporations, that one of them is controlled by the other or both of them are controlled by the same person, and for this purpose a corporation shall be deemed to be controlled by those persons who hold or control sufficient voting shares of the Corporation to elect the majority of its board of directors;

(b) "Agreement" means this agreement and all amendments made hereto by written agreement between the Partnership and Canada Packers;

(c) "Confidential Information" means all information and know-how relating to the technology and production processes associated with the meatpacking business and which are owned and controlled by Canada Packers as trade secrets at any time and information concerning the management, business and financial affairs of Canada Packers;

(d) "Communication" means any demand, notice or other communication to be given in connection with this Agreement;

(e) "CP Standards" means the standards attained by Canada Packers in the operation of meatpacking plants owned by Canada Packers;

(f) "Foundation Agreement" means the agreement made March 1985 between The Government of the Province of Prince Edward Island, the Prince Edward Island Hog Commodity Marketing Board, H.C.M. Industries Ltd., B.P. Investments Inc. and Canada Packers;

(g) "Management Year" means

(i) in the case of the first Management Year, the period commencing on the Opening Date and terminating on December 31 of such year;

(ii) in the case of subsequent Management Years (save the last), the calendar year immediately following the completion of the preceding Management Year; and

(iii) in the case of the last Management Year, the period following completion of the next to last Management Year and terminating on the later of the date of termination of this Agreement or, if the Plant is to be shut down, the date of completion thereof;

(h) "Opening Date" means the date when the Plant is physically capable of operating at 90% of its weekly rated capacity;

(i) "Operating Costs" for any period means the aggregate of all costs of any character pertaining to the operation, maintenance, repair or management of the Plant incurred during or attributable to such period including, without limiting the generality of the foregoing, the cost of livestock, supplies, wages, insurance premiums, taxes and interest charges on any financing arranged to provide funds for working capital;

(j) "Plant" means the plant to be constructed on Prince Edward Island with a capacity to kill, cut and chill 5,000 hogs per week on a split-shift basis and 200 cattle per week on a single-shift basis substantially in accordance with a preliminary plan dated August 20, 1984 prepared by Canada Packers;

(k) "Pre-Opening Costs" means the aggregate of all costs of any character pertaining to the Plant prior to the Opening Date, including construction costs and start-up costs;

(l) "Pricing Agreement" means the agreement made in March 1985 between The Government of the Province of Prince Edward Island, the Prince Edward Island Hog Commodity Marketing Board and the Partnership as to the price of hogs delivered to the Plant;

(m) "Shareholders Agreement" means the agreement made in March 1985 between H.C.M Industries Ltd., B.P. Investments Inc. and Canada packers as to the ownership of Garden Province Meats; and

(n) "Supply Agreement" means the agreement made in March 1985 between The Government of the Province of Prince Edward Island, the Partnership and Garden Province Meats as to the supply of hogs to the Plant.

Sections and Headings

1.02 The division of this Agreement into Articles and Sections and the insertion of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, refer-

ences herein to Articles and Sections are to Articles and Sections of this Agreement.

Number

1.03 Words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and vice versa and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and vice versa.

ARTICLE TWO - APPOINTMENT AND TERM

Appointment

2.01 The Partnership hereby appoints Canada Packers as manager of the Plant and Canada Packers accepts such appointment, upon and subject to the terms and conditions herein contained.

Relationship

2.02 In fulfilling its obligations and exercising its rights hereunder, Canada Packers shall be an independent contractor and not a servant or agent or partner of the Partnership and shall have the independent direction and control of the operation of the Plant, subject to Section 2.03.

Standard of Care

2.03 Canada Packers shall manage the operation of the Plant and the marketing of the products thereof in a manner consistent with CP Standards provided that Canada Packers shall not be required to cause any payment to be made unless the funds therefor have been made available to Canada Packers.

Term

2.04 Unless sooner terminated as herein provided, this Agreement and Canada Packers' appointment hereunder shall remain in force for an initial term commencing upon the Opening Date and ending on the termination of the eleventh Management Year and thereafter shall be automatically renewed from year to year until terminated by either party as provided in Article Seven.

ARTICLE THREE - CONDITIONS PRECEDENT TO OBLIGATIONS

Conditions Precedent

3.01 The obligations of each of the Partnership and Canada Packers pursuant to this Agreement shall be subject to the

following conditions precedent, all of which must be fulfilled or performed on or before the Opening Date:

(a) the Plant and related facilities shall have been constructed in a manner satisfactory to Canada Packers and the Plant shall be physically capable of operating at 90% of its weekly rated capacity;

(b) all the agreements annexed as schedules to the Foundation Agreement shall have been entered into by the proposed parties thereto;

(c) the Partnership shall have entered into a loan agreement with a Canadian chartered bank, in form and substance satisfactory to Canada Packers, for the supply from time to time of sufficient funds to pay the Operating Costs on a timely basis;

(d) the Partnership shall have provided to Canada Packers all technical specifications, plans, engineering drawings and other relevant information regarding the Plant; and

(e) each of the Partnership and Canada Packers shall have received opinions of counsel, in form and substance satisfactory to it, that this Agreement and the other agreements to which such party is a party in connection with the Plant are legal, valid and binding obligations of the other parties thereto enforceable in accordance with their respective terms.

Rescission

3.02 In case any of the foregoing conditions precedent shall not be fulfilled or performed on or before the Opening Date, the Partnership, in the case of the non-fulfillment or non-performance of any condition set forth in Section 3.01(a), (b) or (e), or Canada Packers, in the case of the non-fulfillment or non-performance of any condition set forth in Section 3.01 may rescind this Agreement upon 90 days prior notice to the other party and upon the expiry of such 90-day period the parties shall be released from all obligations hereunder and this Agreement shall be terminated; provided that any of the said conditions may be waived in whole or in part by the Partnership or Canada Packers, as the case may be, without prejudice to its rights of rescission in the event of the non-fulfillment or non-performance of any other condition.

ARTICLE FOUR - DUTIES AND AUTHORITY

The Partnership

4.01 The Partnership shall, at all times during the term of this Agreement:

(a) subject to Section 8.11, maintain full beneficial ownership of the Plant free from any liens, charges, encumbrances or any other rights of others;

(b) pay any Pre-Opening Costs, including any payments of principal or interest required to be made in connection with the financing thereof;

(c) provide sufficient funds, on a timely basis, to pay the Operating Costs, including the fees and other amounts payable to Canada Packers, and the costs of any alteration, addition or improvement of a capital nature to the Plant made pursuant to Section 4.03;

(d) provide sufficient personnel for the operation and maintenance of the Plant in accordance with CP Standards; and

(e) maintain the following insurance:

(i) insurance for the full replacement cost of the Plant with coverage on an "All Risk" basis against loss or damage to the Plant including boiler and business interruption and such other risks and casualties for which insurance is customarily provided for plants of similar character;

(ii) comprehensive general liability insurance with minimum limits of $2 million; and

(iii) workmen's compensation, employers' liability or other insurance as may be required under applicable laws or which the Partnership shall deem advisable.

Canada Packers shall be added as an additional named insured in, and the Partnership shall furnish to Canada Packers, upon request, satisfactory evidence of, all insurance maintained by the Partnership pursuant to this Section 4.01.

Canada Packers

4.02 (1) Subject to Section 2.03, Canada Packers shall have the complete and absolute authority and the obligation to manage and

supervise the day-to-day operations of the Plant and the marketing of the products of the Plant. As used in this Section the phrase "day-to-day operations of the Plant" means all actions which are not referred to in Section 3.06 of the Shareholders Agreement. Without limiting the generality of the foregoing, Canada Packers shall provide management and supervision in connection with the following:

(a) purchasing all supplies necessary for the operation of the Plant;

(b) marketing the products of the Plant;

(c) subject to Section 4.03, causing to be made all repairs necessary to maintain the Plant in a state of repair up to Canada Packers' standards;

(d) entering into agreements for the supply of services;

(e) subject to Section 4.05, paying all Operating Costs;

(f) taking reasonable steps to collect all accounts receivable;

(g) setting up and maintaining accounting and other records reflecting the results of the operations of the Plant, including records of the Operating Costs and Gross Revenues; and

(h) preparing the plans, reports and statements referred to in Section 4.06.

(2) All contracts or other obligations entered into by Canada Packers in the performance of its duties under this Agreement shall be entered into on behalf of and in the name of the Partnership.

(3) Canada Packers shall provide the Partnership with such information with respect to the Plant, other than Confidential Information, as the Partnership may reasonably request.

Capital Alterations

4.03 Canada Packers may cause any alteration, addition or improvement of a capital nature to the Plant to be made provided that it obtains the prior written consent of the board of directors of the Partnership if the cost of any single alteration, addition or improvement would exceed $10,000 or the aggregate costs of such alterations, additions and improvements in any Management Year are in excess of $100,000.

Employees

4.04 (1) Further to Section 4.01(d), all employees employed in the operation of the Plant shall be deemed, for all purposes, to be employees of the Partnership and not of Canada Packers with the exception of the general manager of the Plant who shall be an employee of Canada Packers.

(2) It is understood that all employee relations services and labour relations services including collective agreement negotiations, collective agreement administration and the administration of wages, salaries, employee benefits and human resources shall be the responsibility of the Partnership. None of these services will be made available to the Partnership by or through Canada Packers or the Canada Packers Inc. Corporate Employee Relations Group.

(3) Canada Packers shall not hire a new person as general manager of the Plant without the prior approval of the Partnership.

Receipt and Disbursement

4.05 (1) The revenues received from the operation of the Plant and the marketing of the products thereof shall be received and collected on behalf of the Partnership and shall be maintained in a bank account in the name of the Partnership with a nominee of the Partnership and a nominee of Canada Packers having joint signing authority.

(2) No funds shall be disbursed from the above bank account except to pay the Operating Costs, including all fees and other amounts to be paid to Canada Packers pursuant to this Agreement, and the costs of any alteration, addition or improvement of a capital nature to the Plant made pursuant to Section 4.03.

(3) If the amount of the authorized expenditures exceeds at any time the amount held in the said bank account and the amount of any line of credit established by the Partnership for the operation of the Plant, the Partnership shall deposit immediately to the said bank account sufficient funds to make such expenditures. Notwithstanding any of the provisions of this Agreement, if the Partnership fails to furnish such funds, Canada Packers shall have no liability whatsoever for any consequences arising from the failure to make such expenditures and the Partnership hereby agrees to indemnify and save harmless Canada Packers from and against all actions, claims and demands by third parties arising from failure to make such expenditures.

Budgets and Statements

4.06 (1) On or before 60 days prior to the Opening Date and on or before the last day of the tenth month of each succeeding Management Year, Canada Packers shall cause to be prepared and shall submit to the Partnership operating and financial plans for the succeeding Management Year.

(2) On or before the fifteenth day of each month during each Management Year, Canada Packers shall cause to be prepared and shall submit to the Partnership an operating statement and financial report for the preceding month.

ARTICLE FIVE - MANAGEMENT FEE

5.01 For the performance of the management services to be supplied by Canada Packers, Canada Packers shall be paid a management fee for each Management Year equal to the greater of:

(i) $25,000 per annum (or a pro rata portion thereof if the Management Year consists of fewer than 365 days); and

(ii) the sum of:

(A) the product of $0.14 multiplied by the number of hogs slaughtered during the Management Year;
(B) the product of $0.64 multiplied by the number of cattle slaughtered during the Management Year; and
(C) the product of $0.85 multiplied by the number of cattle boxed during the Management Year.

The Management Fee shall form part of the Operating Costs.

Expenses

5.02 The following expenses shall form part of the Operating Costs and Canada Packers shall be entitled to receive payment thereof:

(a) the salary and benefits of the general manager of the Plant who is an employee of Canada Packers (and who shall not be paid more than other employees of Canada Packers in equivalent positions);

(b) the services of technical specialists of Canada Packers in its National Production office at the rate of $45 per hour for the first Management Year. Canada Packers and the Partnership shall review such rate prior to the

commencement of each succeeding Management Year and the rate shall be increased to reflect any increased costs to Canada Packers in providing such services; and

(c) reasonable travelling expenses of employees of Canada Packers when travelling on the business of the Partnership.

It is understood that Canada Packers shall not be entitled to be reimbursed for any other head office expenses of Canada Packers.

Payment

5.03 On or before the last business day of each month during each Management Year, Canada Packers shall be entitled to receive an aggregate amount equal to the sum of $2,000 and the expenses payable pursuant to Section 5.02 and incurred by Canada Packers during such month. Within 30 days following the end of each Management Year, Canada Packers shall be entitled to receive the balance of the management fee for such Management Year as determined pursuant to Section 5.01.

ARTICLE SIX - INDEMNITY

Canada Packers

6.01 Canada Packers shall indemnify and save the Partnership harmless from and against any action, cause of action, expense, claim, demand or liability whatsoever arising by reason of any negligence or wilful misconduct of Canada Packers or its employees.

The Partnership

6.02 (1) The Partnership shall indemnify and save Canada Packers harmless from and against any action, cause of action, expense, claim, demand or liability whatsoever brought or made by any person in connection with the performance by Canada Packers of its obligations under this Agreement including, but not limited to, any damage or injury whatsoever to any employee or other persons arising out of the operation of the Plant or the use of any product of the Plant but the indemnity provided by this Section 6.02 shall not extend to any negligence or wilful misconduct of Canada Packers or any of its employees.

(2) The Partnership agrees to indemnify and save Canada Packers harmless from and against any and all actions, causes of action, grievances, claims and demands whatsoever made or brought against Canada Packers by any person, association or trade union or by any federal, provincial, municipal or other government department, commission, board, bureau, agency or instrumentality

or any other person or body which in any way alleges that, notwithstanding the provisions of Sections 4.01(d) and 4.04, Canada Packers is the employer or an employer of employees employed in the operation of the Plant (other than the general manager of the Plant), including, without limiting the generality of the foregoing, any interest, award, judgment or penalty relating thereto and any costs or expenses incurred by Canada Packers in defending such action, grievance, claim or demand.

Survival

6.03 The indemnities provided pursuant to each of Sections 4.05, 6.01 and 6.02 shall survive the termination of this Agreement with respect to any action, cause of action, expense, claim, demand or liability that has arisen prior to the termination of this Agreement.

ARTICLE SEVEN - TERMINATION

12 Months Notice

7.01 Notwithstanding the provisions of Section 2.04, either party may terminate this Agreement at any time on or after the third anniversary of the Opening Date by giving not less than 12 months prior notice of termination to the other party.

Default

7.02 Notwithstanding any of the other provisions of this Agreement, in the event that:

(a) either party is in default in the performance of any of its covenants, obligations or agreements herein contained and such default continues for a period of 90 days after notice from the other party specifying the nature of such default;

(b) either party becomes insolvent or bankrupt or goes into liquidation, either voluntarily or under an order of a court of competent jurisdiction, or makes an assignment for the benefit of its creditors, or otherwise acknowledges its insolvency; or

(c) a liquidator, receiver or receiver-manager is appointed to supervise the affairs of either party;

then, and in each and any of such events, the other party may, at its option, declare this Agreement to be at an end.

Amendment to Agreements

7.03 In the event that

(a) the price to be paid for index hogs pursuant to the Pricing Agreement is no longer the Ontario Current Weekly Weighted Average Price for index hogs;

(b) the grants to be paid per index hog pursuant to the Pricing Agreement are less than $2.25; or

(c) the terms of the Supply Agreement are changed,

without the prior consent of Canada Packers, Canada Packers may, at its option, terminate this Agreement by giving not less than 90 days prior notice of termination to the Partnership.

Destruction

7.04 If a substantial part of the Plant is destroyed or damaged by fire or other casualty or shall be appropriated, expropriated or seized by governmental or other authority, either party may, at its option, declare this Agreement to be at an end provided that, in the case of destruction or damage by fire or other casualty which can be substantially rebuilt or repaired within a period of six months, the Partnership may elect to rebuild or repair the Plant. In the event that the Partnership elects to rebuild or repair the Plant, the Partnership shall serve written notice of such on Canada Packers within 30 days from the date of the said destruction or damage and commence such rebuilding or repairs forthwith and this Agreement shall continue in full force and effect.

Obligations of Canada Packers

7.05 Upon termination of this Agreement in accordance with the provisions hereof, Canada Packers shall:

(a) co-operate with the Partnership and with any newly appointed manager to facilitate the transfer of Canada Packers' responsibilities as described in this Agreement to the new manager;

(b) deliver to the Partnership all records and documents, including without limitation, all agreements and books of account maintained under the terms of this Agreement except for any Confidential Information; and

(c) if the Partnership advises Canada Packers that the Plant is to be shut down, supervise the shutting down of the Plant.

Obligations of The Partnership

7.06 Upon the termination of this Agreement in accordance with the provisions hereof, the Partnership shall:

(a) perform all contracts entered into by Canada Packers on behalf of and in the name of the Partnership and indemnify Canada Packers against any liability by reason of anything done or required to be done under any such contract after the date of termination of this Agreement; and

(b) pay all amounts owing to Canada Packers pursuant to the provisions of this Agreement.

Additional Notice

7.07 Notwithstanding any of the other provisions of this Agreement, any party giving a notice of termination hereunder shall send a copy of such notice to the parties to the Foundation Agreement in accordance with the provisions thereof.

ARTICLE EIGHT - GENERAL

Insurance for Acts of Employees

8.01 Canada Packers shall purchase and maintain, at its own expense, public liability insurance to insure against potential liability for the negligence or wilful misconduct of its employees.

Canada Packers' Other Plants

8.02 The Partnership acknowledges that Canada Packers owns and operates other packinghouse plants and may manage other plants not owned by Canada Packers.

Inspections

8.03 The Partnership shall have the right at reasonable times and intervals to cause such inspections of the Plant and all the books and records maintained by Canada Packers relating to its obligations under this Agreement to be made as may be reasonable in the circumstances. It is understood that all such books and records maintained at the Plant, except for any Confidential Information, are the property of the Partnership.

Co-Operation with Auditors

8.04 Canada Packers shall co-operate with the auditors of the Partnership in the preparation and presentation of financial

statements for the Partnership. Canada Packers shall make available to the auditors such information and material as may be required for purposes of their audit and as may be necessary for the auditors to carry out their duties to the Partnership in a proper manner.

Force Majeure

8.05 Whenever in this Agreement it is provided that anything be done or performed, such provisions are subject to unavoidable delays caused by factors beyond the control of a party and the party whose performance is affected by this unavoidable delay shall not be regarded as being in default in the performance of any obligation hereunder during the period of any such unavoidable delay relating thereto; and the party whose performance is affected by this unavoidable delay shall notify the other of the commencement, duration and consequence (so far as is within the knowledge of the party giving such notice) of any such unavoidable delay.

Confidential Information

8.06 All Confidential Information received by the Partnership pursuant to this Agreement shall not be used by the Partnership or disclosed by the Partnership to any other person except with the written consent of Canada Packers or unless disclosed in legal proceedings between the parties hereto or required to be disclosed by law.

Arbitration

8.07 (1) Except as otherwise herein provided, all disputes arising between the parties in connection with this Agreement shall be referred to a single arbitrator, if the parties agree upon one, otherwise to three arbitrators one to be appointed by each party and a third arbitrator to be appointed by the first-named arbitrators and the arbitration shall be conducted in accordance with the Arbitration Act of Prince Edward Island and any amendments thereto.

(2) With the exception of emergency cases, neither party may make any payment or perform any act if there is a bona fide dispute between the parties as to the necessity thereof and such dispute has been submitted to arbitration pursuant to Section 8.07(1).

Further Assurances

8.08 Each of the parties shall from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may reasonably require to

effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

Benefit of the Agreement

8.09 This Agreement shall enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties hereto.

Amendments and Waivers

8.10 No amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by both of the parties hereto. No waiver of any breach of any provision of this Agreement shall be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, shall be limited to the specific breach waived.

Assignment

8.11 Neither of the parties hereto may assign its rights or obligations under this Agreement without the prior written consent of the other party hereto provided that the Partnership may sell or otherwise dispose of the Plant to Garden Province Meats and assign its rights and obligations under this Agreement to Garden Province Meats.

Notices

8.12 Any Communication shall be given in writing and may be given by personal delivery, by registered mail or by transmittal by telex addressed to the recipient as follows:

To the Partnership:

G.P.M. Limited Partnership
c/o Mullin, Carr, Stevenson & MacKay
Barristers and Solicitors
50 Water Street
Charlottetown, P.E.I.
C1A 7L1

Telex No.: [redacted]

Attention: John. A. Carr

To Canada Packers:

Canada Packers Inc.
95 St. Clair Avenue West
Toronto, Ontario
M4V 1P2

Telex No.: 06-22257

Attention: Secretary

or such other address, telex number or individual as may be designated by notice by any party to the other. Any Communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third Business Day following the deposit thereof in the mail and, if given by telex, on the day of transmittal thereof. If the party giving any Communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such Communication shall not be mailed but shall be given by personal delivery or by telex.

Governing Law

8.13 This Agreement shall be governed by and construed in accordance with the laws of the Province of Prince Edward Island.

Attornment

8.14 For the purpose of all legal proceedings this Agreement shall be deemed to have been performed in the Province of Prince Edward Island and the courts of the Province of Prince Edward Island shall have exclusive jurisdiction to entertain any action arising under this Agreement. Each of the parties hereby attorns to the jurisdiction of the courts of the Province of Prince Edward Island.

IN WITNESS WHEREOF the parties have executed this

Agreement.

G.P.M. LIMITED PARTNERSHIP
by its General Partner
GARDEN PROVINCE MEATS (1985) INC.

Per: _____
President

_____
Secretary

CANADA PACKERS INC.

Per: _____
Vice-President

c/s

_____
Secretary

SCHEDULE "D"

PRICING AGREEMENT

BETWEEN

THE GOVERNMENT OF THE PROVINCE
OF PRINCE EDWARD ISLAND

- and -

G.P.M. LIMITED PARTNERSHIP

- and -

PRINCE EDWARD ISLAND HOG COMMODITY
MARKETING BOARD

TABLE OF CONTENTS

ARTICLE ONE - INTERPRETATION

Definitions 2

Sections and Headings 3

Number 3

ARTICLE TWO - PRICING OF HOGS AND DIFFERENTIAL CONTRIBUTION

Pricing of Index Hogs 3

Pricing of Other Marketable Hogs 3

Differential Contribution 4

ARTICLE THREE - PAYMENT

Payment for Hogs 4

Differential Contribution Payment 4

ARTICLE FOUR - GENERAL

Term 4

Benefit of the Agreement 5

Amendments and Waivers 5

Assignment 5

Notices 5

Governing Law 7

PRICING AGREEMENT

THIS AGREEMENT made the 22nd day of March, 1985;

B E T W E E N:

THE GOVERNMENT OF THE PROVINCE OF PRINCE EDWARD ISLAND, as represented by Honourable Wilbur MacDonald, Minister of Industry (hereinafter referred to as "PEI"),

OF THE FIRST PART,

- and -

G.P.M. LIMITED PARTNERSHIP, a limited partnership formed under the laws of the Province of Prince Edward Island (hereinafter referred to as the "Partnership"),

OF THE SECOND PART,

- and -

PRINCE EDWARD ISLAND HOG COMMODITY MARKETING BOARD, a body corporate established by act of the Legislature of the Province of Prince Edward Island pursuant to an order made by the Lieutenant Governor in Council upon the recommendation of the Prince Edward Island Marketing Council under the Natural Products Marketing Act, R.S.P.E.I. Cap. N-2 (hereinafter referred to as the "Hog Board"),

OF THE THIRD PART.

WHEREAS the Partnership proposes to construct the Plant; and

WHEREAS the Hog Board pursuant to an order made by the Lieutenant Governor in Council under and by virtue of the authority granted pursuant to the Natural Products Marketing Act, R.S.P.E.I. 1974, Cap. N-2 has all powers necessary to enable it to effectively promote, control and regulate the marketing of marketable hogs within the Province of Prince Edward Island; and

WHEREAS the Hog Board has the power to fix the price or prices and the minimum price or prices at which marketable hogs or any grade or class thereof may be bought or sold in the Province of Prince Edward Island, or that shall be paid for marketable hogs; and

WHEREAS the parties hereto are desirous of entering into a pricing agreement for the sale of marketable hogs to the Plant; and

WHEREAS PEI and the Hog Board are desirous of contributing to the Partnership a portion of the differential in energy, transportation and/or marketing costs between the City of Moncton in the Province of New Brunswick and the location of the Plant in the Province of Prince Edward Island;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained the parties hereto agree as follows:

ARTICLE ONE - INTERPRETATION

Definitions

1.01 In this Agreement, unless something in the subject matter or context is inconsistent herewith:

(a) "Agreement" means this agreement and all amendments made hereto by written agreement between the parties hereto;

(b) "Business Day" means a day other than a Saturday, Sunday or statutory holiday in Prince Edward Island;

(c) "Communication" means any demand, notice or other communication to be given in connection with this Agreement;

(d) "GPM" means Garden Province Meats (1985) Inc., a corporation incorporated under the laws of the Province of Prince Edward Island;

(e) "Management Agreement" means the agreement made in March 1985 between the Partnership and Canada Packers Inc.;

(f) "Opening Date" means the date when the Plant is physically capable of operating at 90% of its weekly rated capacity;

(g) "Plant" means the plant to be constructed on Prince Edward Island with a capacity to kill, cut and chill 5,000 hogs per week on a split-shift basis and 200

cattle per week on a single-shift basis substantially in accordance with a preliminary plan dated August 20, 1984 prepared by Canada Packers Inc.; and

(h) "Supply Agreement" means the agreement made in March 1985 between PEI, the Partnership and GPM.

Sections and Headings

1.02 The division of this Agreement into Articles and Sections and the insertion of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

Number

1.03 Words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and vice versa and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and vice versa.

ARTICLE TWO - PRICING OF HOGS AND DIFFERENTIAL CONTRIBUTION

Pricing of Index Hogs

2.01 Unless and until the Hog Board otherwise determines by order duly published and notice of such determination has been given to the Partnership, the prices to be paid by the Partnership to the Hog Board, or to such persons as the Hog Board may direct, for Index hogs purchased by the Partnership pursuant to the Supply Agreement shall be the Ontario Current Weekly Weighted Average Price for Index 100 Hogs as established from time to time by the Ontario Pork Producers Marketing Board, such price to be adjusted in the case of any particular Index hog in direct proportion to the extent to which such Index hog has been duly graded as greater or less than an Index 100 hog.

Pricing of Other Marketable Hogs

2.02 The prices to be paid by the Partnership to the Hog Board, or to such persons as the Hog Board may direct, for marketable hogs that are not Index hogs including, without

limitation, sows, boars and stags purchased by the Partnership pursuant to the Supply Agreement shall be such amount as is established by the Hog Board from time to time by order duly published and agreed to by the Partnership.

Differential Contribution

2.03 Until otherwise agreed between the parties hereto, the Hog Board and PEI shall each contribute to the Partnership as non-repayable grants the following amounts set opposite their names per marketable hog, of whatever grade, purchased by the Partnership pursuant to the Supply Agreement:

Hog Board	-	$1.10
PEI	-	$1.15.

ARTICLE THREE - PAYMENT

Payment for Hogs

3.01 (1) The Partnership shall on or before the Friday of each week with regard to marketable hogs purchased and killed by the Partnership on the Monday, Tuesday or Wednesday of that week, and on or before the Monday of each week with regard to marketable hogs purchased and killed by the Partnership on the Thursday or Friday of the preceding week, mail a cheque or cheques to the Hog Board, or to such persons as the Hog Board may direct, for all amounts owing by the Partnership pursuant to this Agreement for such marketable hogs.

(2) Any amounts owing by the Partnership to the Hog Board pursuant to Sections 2.01 or 2.02 or pursuant to any check-offs established by the Hog Board from time to time by order duly published may be set-off against any amounts owing to the Partnership by the Hog Board pursuant to Section 2.03.

Differential Contribution Payment

3.02 The Partnership shall from time to time send invoices to PEI and to the Hog Board for all amounts owing to the Partnership pursuant to Section 2.03 and the terms of payment to be made by PEI and the Hog Board to the Partnership shall be on a basis of net 15 days.

ARTICLE FOUR - GENERAL

Term

4.01 This Agreement shall commence on the Opening Date and shall terminate upon the termination of the Management Agreement.

Benefit of the Agreement

4.02 This Agreement shall enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties hereto.

Amendments and Waivers

4.03 No amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by all of the parties hereto. No waiver of any breach of any provision of this Agreement shall be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, shall be limited to the specific breach waived.

Assignment

4.04 None of the parties hereto may assign its rights or obligations under this Agreement without the prior written consent of the other parties hereto provided that the Partnership may sell the Plant to GPM and assign its rights and obligations under this Agreement to GPM.

Notices

4.05 Any Communication shall be given in writing and may be given by personal delivery, by registered mail or by transmittal by telex addressed to the recipient as follows:

To PEI:

The Government of the Province of
Prince Edward Island
P.O. Box 2000
Charlottetown, P.E.I.
C1A 7N8

Telex No.: 014-44154

Attention: Minister of Industry

To the Partnership:

G.P.M. Limited Partnership
c/o Mullin, Carr, Stevenson & MacKay
Barristers and Solicitors
50 Water Street
Charlottetown, P.E.I.
C1A 7L1

Telex No.: [redacted]

Attention: John A. Carr

To the Hog Board:

Prince Edward Island Hog Commodity
Marketing Board
c/o Mullin, Carr, Stevenson & MacKay
Barristers and Solicitors
50 Water Street
Charlottetown, P.E.I.
C1A 7L1

Telex No.: N

Attention: John A. Carr

or such other address, telex number or individual as may be designated by notice by any party to the others. Any Communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third Business Day following the deposit thereof in the mail and, if given by telex, on the day of transmittal thereof. If the party giving any Communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such Communication shall not be mailed but shall be given by personal delivery or by telex.

Governing Law

4.07 This Agreement shall be governed by and construed in accordance with the laws of the Province of Prince Edward Island.

IN WITNESS WHEREOF the parties have executed this Agreement.

THE GOVERNMENT OF THE PROVINCE
OF PRINCE EDWARD ISLAND

Per: _____
Minister of Industry

G.P.M. LIMITED PARTNERSHIP
by its General Partner
GARDEN PROVINCE MEATS
(1985) INC.

Per: _____
President c/s

_____
Secretary

PRINCE EDWARD ISLAND HOG
COMMODITY MARKETING BOARD

Per: _____
Chairman
c/s

_____
Vice-Chairman

SCHEDULE "E"

SUPPLY AGREEMENT

THIS AGREEMENT made the 22nd day of March, 1985;

B E T W E E N:

THE GOVERNMENT OF THE PROVINCE OF PRINCE EDWARD ISLAND, as represented by Honourable Wilbur MacDonald, Minister of Industry (hereinafter referred to as "PEI"),

OF THE FIRST PART,

- and -

G.P.M. LIMITED PARTNERSHIP, a limited partnership formed under the laws of the Province of Prince Edward Island (hereinafter referred to as the "Partnership"),

OF THE SECOND PART,

- and -

GARDEN PROVINCE MEATS (1985) INC., a corporation incorporated under the laws of the Province of Prince Edward Island (hereinafter referred to as "GPM"),

OF THE THIRD PART.

THIS AGREEMENT WITNESSES that in consideration of the covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE ONE - INTERPRETATION

Definitions

1.01 In this Agreement, unless something in the subject matter or context is inconsistent herewith:

(a) "Agreed Prices" means the prices for hogs determined at any time and from time to time pursuant to the Pricing Agreement;

(b) "Agreement" means this agreement and all amendments made hereto by written agreement between the parties hereto;

(c) "Business Day" means a day other than a Saturday, Sunday or statutory holiday in Prince Edward Island;

(d) "Communication" means any demand, notice or other communication to be given in connection with this Agreement;

(e) "Minimum Hog Requirement" means 4,500 marketable index hogs per week for each eight week period referred to in Section 3.02;

(f) "Net Losses" means the net losses of the Partnership calculated in accordance with generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants except that the base upon which depreciation is calculated shall not exceed $1,200,000;

(g) "Opening Date" means the date when the Plant is physically capable of operating at 90% of its weekly rated capacity;

(h) "Plant" means the plant to be constructed on Prince Edward Island with a capacity to kill, cut and chill 5,000 hogs per week on a split-shift basis and 200 cattle per week on a single-shift basis substantially in accordance with a preliminary plan dated August 20, 1984 prepared by Canada Packers Inc.; and

(i) "Pricing Agreement" means the agreement made March 22, 1985 between PEI, the Prince Edward Island Hog Commodity Marketing Board and the Partnership.

Sections and Headings

1.02 The division of this Agreement into Articles and Sections and the insertion of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

Number

1.03 Words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and vice versa and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and vice versa.

Schedules

1.04 The following are the Schedules annexed hereto and incorporated by reference and deemed to be part hereof:

Schedule A - Expense Analysis; and
Schedule B - Example of Deficiency Payment Calculation.

ARTICLE TWO - PURCHASE OF HOGS

Purchase of Hogs

2.01 Subject to Section 4.02, the Partnership shall purchase all marketable hogs delivered to the Plant each week, up to a maximum of 5,000 marketable hogs per week, at the Agreed Prices payable as provided in the Pricing Agreement.

ARTICLE THREE - DEFICIENCY PAYMENTS

First Two Years

3.01 (1) PEI shall contribute to GPM, in the manner hereinafter provided, an amount equal to the Net Losses of the Partnership for the two year period commencing on the Opening Date and ending on the second anniversary of the Opening Date.

(2) Within five days after the end of each month of such two year period, the Partnership shall notify PEI of the estimated Net Losses, if any, of the Partnership for such month and PEI shall contribute to GPM an amount equal to such estimated Net Losses less any estimated retained earnings of the Partnership within five Business Days after receipt of such notice.

(3) Within 120 days after the end of the two year period, the Partnership shall deliver audited financial statements of the Partnership for such period to PEI. If such statements show that the Partnership has Net Losses after crediting the aggregate amount of the monthly contributions made by PEI pursuant to Section 3.01(2), PEI shall contribute an amount equal to such Net Losses to GPM within 15 Business Days after receipt of such statements.

(4) In the event that the aggregate amount of monthly contributions made by PEI pursuant to Section 3.01(2) exceeds the Net Losses of the Partnership for such two year period, then GPM shall remit to PEI such excess within 15 Business Days after receipt of the audited financial statements.

Succeeding Years

3.02 (1) Subject to Section 4.02, if, in the eight week period commencing on the second anniversary of the Opening Date or any succeeding eight week period during the term of this Agreement less than the Minimum Hog Requirement is delivered to the Plant, PEI shall contribute to GPM an amount equal to the Net Losses of the Partnership for that period resulting from less than the Minimum Hog Requirement being delivered to the Plant calculated as provided herein.

(2) The Net Losses of the Partnership for any such eight week period when less than the Minimum Hog Requirement was delivered to the Plant shall be an amount equal to the remainder obtained when the sum of the increased variable costs in the operation of the Plant (as set forth on Schedule A annexed hereto) for such week is subtracted from the sum of the increased gross earnings that the Partnership would have received if the Minimum Hog Requirement had been delivered to the Plant, calculated in the manner illustrated in the example set forth on Schedule B annexed hereto provided that when the number of hogs slaughtered falls between the net labour population stated, the net labour population shall be pro rated accordingly.

(3) If PEI owes GPM any amount hereunder in respect of any such eight week period, the Partnership shall notify PEI of the amount owing and PEI shall contribute such amount to GPM within five Business Days after receipt of such notice.

Manner of Payment

3.03 (1) Payments to be made by PEI pursuant to Sections 3.01 and 3.02 shall be made by way of subscription and payment by PEI for the number of Class B preferred shares of GPM having an aggregate par value equal to the amount payable by PEI.

(2) So long as the Partnership continues to own the Plant, GPM shall lend to the Partnership an amount equal to each amount received from PEI hereunder forthwith after receipt thereof, on an interest-free basis.

Right of Audit and Inspection

3.04 The Partnership shall keep proper accounts and records in relation to the operation of the Plant and the supply of hogs thereto and of all expenditures or commitments made by the

Partnership in connection therewith and the invoices, receipts and vouchers relating thereto. Such accounts, records, invoices, receipts and vouchers shall at all times be open to audit and inspection by the authorized representatives of PEI (who may make copies thereof and take extracts therefrom) and the Partnership shall, upon reasonable notice, afford facilities for such audits and inspections and shall furnish the authorized representatives of PEI with all such information as they may from time to time reasonably require with reference to such accounts, records, invoices, receipts and vouchers. The Partnership shall not, without the consent of PEI, dispose of any such accounts, records, invoices, receipts and vouchers for a period of six years from the date thereof.

ARTICLE FOUR - GENERAL

Term

4.01 This Agreement shall commence on the Opening Date and shall terminate on the date following the second anniversary of the Opening Date which is the earlier of the end of the fiscal year of the Partnership in which its retained earnings after tax are at least $1,200,000 or December 31, 1995.

Plant Shut-Down

4.02 In the event that the Plant does not operate for any Business Day during the term of this Agreement:

(a) the obligations of the Partnership to purchase marketable hogs each week pursuant to Section 2.01 shall be proportionately reduced; and

(b) the amount, if any, payable by PEI pursuant to Section 3.02 shall be calculated excluding such day.

Benefit of the Agreement

4.03 This Agreement shall enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties hereto.

Amendments and Waivers

4.04 No amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by all of the parties hereto. No waiver of any breach of any provision of this Agreement shall be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, shall be limited to the specific breach waived.

Assignment

4.05 None of the parties hereto may assign its rights or obligations under this Agreement without the prior written consent of the other parties hereto provided that the Partnership may sell the Plant to GPM and assign its rights and obligations under this Agreement to GPM.

Notices

4.06 Any Communication shall be given in writing and may be given by personal delivery, by registered mail or by transmittal by telex addressed to the recipient as follows:

To PEI:

The Government of the Province of
Prince Edward Island
P.O. Box 2000
Charlottetown, P.E.I.
C1A 7N8

Telex No.: 014-44154

Attention: Minister of Industry

To the Limited Partnership:

G.P.M. Limited Partnership
c/o Mullin, Carr, Stevenson & MacKay
Barristers and Solicitors
50 Water Street
Charlottetown, P.E.I.
C1A 7L1

Telex No.: [redacted]

Attention: John A. Carr

To GPM:

Garden Province Meats (1985) Inc.
c/o Mullin, Carr, Stevenson & MacKay
Barristers and Solicitors
50 Water Street
Charlottetown, P.E.I.
C1A 7L1

Telex No.: [redacted]

Attention: John A. Carr

or such other address, telex number or individual as may be designated by notice by any party to the others. Any Communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third business day following the deposit thereof in the mail and, if given by telex, on the day of transmittal thereof. If the party giving any Communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such Communication shall not be mailed but shall be given by personal delivery or by telex.

Governing Law

4.07 This Agreement shall be governed by and construed in accordance with the laws of the Province of Prince Edward Island.

IN WITNESS WHEREOF the parties have executed this Agreement.

THE GOVERNMENT OF THE PROVINCE OF PRINCE EDWARD ISLAND

Per: _____
Minister of Industry

G.P.M. LIMITED PARTNERSHIP
by its General Partner
GARDEN PROVINCE MEATS (1985) INC.

Per: _____
President

c/s

_____
Secretary

GARDEN PROVINCE MEATS (1985) INC.

Per: _____
President

c/s

_____
Secretary

T-152-2 SCHEDULE A

EXPENSE ANALYSIS
TOTAL PLANT

PLANT - P.E.I. Plant

FISCAL YEAR 19 ____

	PERIOD	PERIOD	PERIOD	QTR.	YEAR TO-DATE
D. HOGS CUT (DIVISOR)					
	$	$	$	$	$
MANUFACTURING CLEAN-UP	Variable (Labour Portion Only)				
- TOTAL LABOUR	Variable				
- REPAIRS - LABOUR	Fixed				
- REPAIRS - MATERIAL	Fixed				
- BOILER	Fixed				
- POWER	Fixed				
- REFRIGERATION	Fixed				
- WATER	Fixed				
- SUPPLIES	Variable (COL Portion Only)				
- OTHER & LAUNDRY	Fixed				
- STOCK PENS	Fixed				
TOTAL MANUFACTURING					
VAT & PALLET RETURNS	N/A				
DISTRIBUTION EXPENSE	Variable (Labour Portion Only)				
CUSTOM CLEARANCE	N/A				
BROKERAGE-MARGINS PAID	Variable				
TOTAL MARKETING VARIABLE					
MARKETING FIXED - SALES	N/A				
BAD DEBT	N/A				
TOTAL MARKETING FIXED					
GENERAL PLANT - MFG. MANAGEMENT	Fixed				
- BLDG. & GROUNDS	Fixed				
- OTHER	Fixed				
ADMINISTRATION- TRADING	Fixed				
- CLERICAL	Fixed				
- OTHER	Fixed				
- HEAD OFFICE	Fixed				
- INTEREST	Variable				
DEPRECIATION & LEASE COST	Fixed				
MACHINE RENTAL	Fixed				
TOTAL OTHER FIXED					
STORAGE & DEMURRAGE	N/A				
TOTAL VARIABLE & FIXED EXPENSE					
FREIGHT	Variable				
HIRED DELIVERY	Variable				
PLANT DELIVERY	Variable	Deducted in Gross Earnings Calculations			
PACKAGES	Variable				
MATERIALS	Variable				
TOTAL ALL EXPENSES					

SCHEDULE B

EXAMPLE - DEFICIENCY PAYMENT CALCULATION

BASIS GUARANTEE OF 4,500 HOGS PER WEEK

8 Week Period - 38 Working Days

	Actual	Guarantee 4,500 Hogs/Wk Predicted Basis 900 Hogs/Days
1) Hog Slaughter (38 Days)	30,400	34,200
2) Gross Earnings	$547,200	$615,600
3) Increased-Net Labour Expense		$ 20,854
4) -CO_2 Expense		$ 500
5) -Brokerage Expense		$ 750
6) -Interest Expense		$ 2,500
7) Total Expenses	$562,400	$587,004
8) Net Earnings	$(15,200)	$ 28,596
9) Gross Deficiency Payment		$ 43,796
10) Deficiency Payment Interest		$ 370
11) Net Deficiency Payment		$ 44,166

CALCULATIONS OF PREDICTED FIGURES

1) Hog Slaughter = 900 x 38 days = 34,200

2) Gross Earnings = $\frac{\$547,200}{30,400}$ x 34,200 = $615,600

3) Increased Net Labour Expense - Actual weekly slaughter 4,000 hogs (5 days)
Basis 4,000 hogs standard net labour population = 50½
Basis 4,500 hogs standard net labour population = 55½
Therefore, increased labour required is 55½ - 50½ = 5 persons
Cost of additional 5 persons is = 5 x 8hrs. x $13.72 (Wages + EWB) x 38 days
= $20,854

Note: For standard net labour population required at various levels of production see Attachment #1.

4) Actual CO_2 Expense was $4,000. Basis 30,400 hogs.
Therefore, basis 34,200 hogs CO_2 expense would be $\frac{\$4,000}{30,400}$ x 34,200 = $4,500

For an increase in CO_2 expense of $500.

5) Actual Brokerage Expense was $6,000. Basis 30,400 hogs.
Therefore, basis 34,200 hogs Brokerage expense would be
$\frac{\$6,000}{30,400}$ x 34,200 = $6,750

For an increase in Brokerage expense of $750.

6) Actual Interest Expense was $20,000. Basis 30,400 hogs.
Therefore, basis 34,200 hogs Interest expense would be

$$\frac{\$20,000}{30,400} \times 34,200 = \$22,500$$

For an increase in Interest expense of $2,500.

7) Total Expense, basis 34,200 hogs, would be the ACTUAL EXPENSE of $562,400 plus the sum of the Increased Expenses outlined in No's 3 - 6 of $24,604 for a Total Predicted Expense of $587,004.

8) Predicted Net Earnings = Predicted Gross Earnings of $615,600 less the Predicted Total Expenses of $587,004
= Predicted Net Earnings of a profit of $28,596.

9) Gross Deficiency Payment is the payment required to adjust the actual net earnings to the predicted net earnings.

$$\$(15,200) + \$43,796 = \$28,596$$

Therefore, the Gross Deficiency Payment would be $43,796 for that 8 week period.

10) Deficiency Payment Interest is the interest revenue lost for that period. For calculation purposes we will assume that the loss in earnings, on average, is spread equally throughout the 8 week period, and that the interest rate is 11%.

$$\frac{\$43,796 \times \frac{56}{365} \times 11\%}{2} = \$370$$

The Deficiency Interest Payment would be $370.

11) Net Deficiency Payment of $44,166 is the total of the Gross Deficiency Payment of $43,796, plus the Deficiency Payment Interest of $370.

The incremental expense adjustments required at the various levels of slaughter should be reviewed annually or as changes in labour rates and staff line ups would dictate.

ATTACHMENT #1

November 21, 1984.

P.E.I. HOG PLANT

STAFF LINE UP FOR HOG OPERATIONS 4 HRS./DAY

	175/HR. 3000	205/HR. 3500	235/HR. 4000	260/HR. 4500
A. PENS				
RECEIVE HOGS (OVER AN 8 HR. PERIOD)	1	1	1	1
B. SLAUGHTER				
1. DRIVE HOGS & FEED RESTRAINER	1	1	1	1
2. STUN HOGS	1	1	1	1
3. SHACKLE	1	1	1	1
4. STICK	1	1	2	2
5. GAMBREL AND HANG OFF	2	2	2	3
6. PULL TOE NAILS, NOTCH TOES & SHAVE	2	2	2	3
7. OPEN BRISKETS, OPEN HOGS (INCL. AITCH BONE) AND BUNG	2	2	2	2
8. REMOVE VISCERA, EXPOSE KIDNEYS AND REMOVE PLUCK	1	1	1	1
9. SPLIT HOGS	1	1	1	1
10. DROP HEADS & TRIM BLOOD MEAT	1	1	1	1
11. SCALE AND RECORD	2	2	3	3
12. REMOVE KIDNEYS & HELD RAIL	1	2	2	2
13. REMOVE TONGUES, HEADS AND TRIM STICK HOLE	1	1	2	2
14. PULL AND SCRAPE LEAF LARD	1	1	1	1
15. WASH TROLLEYS AND GAMBRELS	1	1	2	2
16. RAIL IN COOLERS AND STAMP	1	1	1	1
17. RELIEF MAN				
TOTAL SLAUGHTER	21	22	26	29
C. HEAD BONING				
1. MARK LIPS, CHISEL & TONGUE	1	1	1	1
2. REMOVE HEAD MEAT	1	1	2	2
TOTAL HEAD BONING	2	2	3	3

November 21, 1984.

P.E.I. HOG PLANT

STAFF LINE UP FOR HOG OPERATIONS 4 HRS./DAY

	175/HR. 3000	205/HR. 3500	235/HR. 4000	260/HR. 4500
D. OFFAL PREP./FANCY MEATS				
1. SAVE PANCREAS	1	1	1	1½
2. CUT OFF HEARTS, LUNGS, GULLET AND REMOVE SKIRT MEAT	1	1	1	1
3. CUT OFF LIVER, STRIP GALL AND SPOT LIVERS	1	1	1	1½
4. FANCY MEATS	1	1	2	2
5. DELIVER PRODUCT TO FREEZER AND ANIMAL FOOD	1	1	1	1
TOTAL OFFAL PREP./FANCY MEATS	5	5	6	7
E. CUT				
1. FEED COOLER CHAIN	1	1	1	1
2. INSPECT AND TRIM		1	1	1
3. FEED CUTTING CONVEYOR	1	1	1	2
4. CUT OFF JOWL, FEED JOWL SLASHER, TRIM JOWLS	1	1	1	1
5. HAM DUNSETH	1	1	1	1
6. REMOVE TAILS, CUT HIND FEET	1	1	1	1
7. SHOULDER DUNSETH	1	1	2	2
8. RAISE NECK BONES	1	1	1	2
9. WHIZARD NECK BONES & CUT NECK BONE	1	1	1	1
10. SHOULDER BAND SAW-CUT HOCKS AND FRONT FEET	1	1	1	2
11. PULL BUTTS	1	1	1	1
12. TRIM BUTTS	1	1	1	1
13. SAW MIDDLES	1	1	1	2
14. OPERATE LOIN PULLER	1	2	2	2
15. TRIM LOINS	1	2	2	1
16. RIB BELLIES	1	1	1	1
17. TRIM BELLIES	1	1	1	1
18. RELIEF MAN				
TOTAL BASIC CUT	16	19	20	23

November 21, 1984.

P.E.I. HOG PLANT

STAFF LINE UP FOR HOG OPERATIONS 4 HRS./DAY

	175/HR. 3000	205/HR. 3500	235/HR. 4000	260/HR. 4500
F. CONVERTING (50% OF LOINS)				
1. REMOVE AND TRIM TENDERLOINS	1	1	1	1
2. SAW BACK RIBS & BONE BACKS	2	2	3	3
3. TRIM BACKS	1	1	1	2
4. WHIZARD BACK BONES	1	1	1	1
TOTAL CONVERTING LOINS TO BACKS	5	5	6	7
G. PACKAGING & MATERIAL HANDLING				
1. CARTON ROOM & SUPPLY TO LINE	1	1	1	2
2. WRAP & PACK LOINS 50%	1	1	1	1
3. WRAP & PACK BUTTS, PICNICS, HAMS AND SHOULDERS	2	2	2	3
4. PACK SIDE RIBS	1	1	1	1
5. TRIM & PACK FRONT FEET, PACK TAILS, NECK BONE, TRIM, RIBLETS, HOCKS, BACK FAT, NECK FAT & MISC. TRIM	1	2	2	2
6. LAYER PACK BACK AND BELLY RINDS	1	1	1	1
7. PACK BACKS, BACK RIBS & TENDERLOINS	1	1	2	2
8. SCALE PRODUCT	1	2	2	2
9. PALLETIZE AND MATERIAL HANDLING	2	2	2	3
TOTAL PACKAGING & MATERIAL HANDLING	11	13	14	17
H. OTHER FULL SHIFT				
1. DRY STORAGE & RECEIVING	1	1	1	1
2. SANITATION & LAUNDRY	2	3	3	3
3. SHIPPING & LOADING	3	3	4	4
4. MAINTENANCE, BUILDING & GROUNDS	3	3	3	3
TOTAL OTHER	9	10	11	11

November 21, 1984.

P.E.I. HOG PLANT

STAFF LINE UP FOR HOG OPERATIONS 4 HRS./DAY

SUMMARY	175/HR. 3000	205/HR. 3500	235/HR. 4000	260/HR. 4500
A.M. PRODUCTION				
CUT	16	19	20	23
CONVERTING (LOINS TO BACKS ONLY)	5	5	6	7
PACKAGING & MTL. HANDLING	11	13	14	17
TOTAL A.M. PRODUCTION	32	37	40	47
P.M. PRODUCTION				
SLAUGHTER	21	22	26	28
HEAD BONING	2	2	3	3
OFFAL PREP./FANCY MEATS	5	5	6	7
CUT SANITATION	2	2	2	2
TOTAL P.M. PRODUCTION	30	31	37	40
FULL SHIFT				
PENS	1	1	1	1
DRY STORAGE & RECEIVING	1	1	1	1
SANITATION & LAUNDRY	2	3	3	3
SHIPPING & LOADING	3	3	4	4
MAINTENANCE, BUILDING & GROUNDS	3	3	3	3
TOTAL FULL SHIFT PRODUCTION	10	11	12	12
TOTAL POPULATION	42	48	52	59
LESS: NET SHIFT IMBALANCE (USED FOR VALUE ADDED BONING)	1	3	1½	3½
NET LABOUR POPULATION	41	45	50½	55½

SCHEDULE "F"

BEEF AGREEMENT

THIS AGREEMENT made the 22nd day of March, 1985;

B E T W E E N:

B.P. INVESTMENT INC., a corporation incorporated under the laws of the Province of Prince Edward Island (hereinafter referred to as "B.P."),

OF THE FIRST PART,

- and -

G.P.M. LIMITED PARTNERSHIP, a limited Partnership formed under the laws of the Province of Prince Edward Island (hereinafter referred to as the "Partnership"),

OF THE SECOND PART,

- and -

CANADA PACKERS INC., a corporation incorporated under the laws of Canada (hereinafter referred to as "Canada Packers"),

OF THE THIRD PART.

WHEREAS B.P. represents persons engaged in producing beef on Prince Edward Island and intends to invest in GPM; and

WHEREAS the Partnership proposes to construct the Plant and to hire Canada Packers to manage the Plant on behalf of the Partnership; and

WHEREAS Canada Packers primarily markets Al Beef and the beef producers have agreed to adjust their production methods in order to produce Al Beef provided that they have some assurance that the Partnership will purchase such Al Beef at a fair price;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained the parties hereto agree as follows:

ARTICLE ONE - INTERPRETATION

Definitions

1.01 In this Agreement, unless something in the subject matter or context is inconsistent herewith:

(a) "Agreement" means this agreement and all amendments made hereto by written agreement between the parties hereto;

(b) "A1 Beef" means all cattle which grades A1 or A2 excluding cattle which grades A1X or A2X;

(c) "Communication" means any demand, notice or other communication to be given in connection with this Agreement;

(d) "GPM" means Garden Province Meats (1985) Inc.;

(e) "Opening Date" means the date when the Plant is physically capable of operating at 90% of its weekly rated capacity; and

(f) "Plant" means the plant to be constructed on Prince Edward Island with a capacity to kill, cut and chill 5,000 hogs per week on a split-shift basis and 200 cattle per week on a single-shift basis substantially in accordance with a preliminary plan dated August 20, 1984 prepared by Canada Packers.

Sections and Headings

1.02 The division of this Agreement into Articles and Sections and the insertion of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, reference herein to Articles and Sections are to Articles and Sections of this Agreement.

Number

1.03 Words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and vice versa and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and vice versa.

ARTICLE TWO - CAPACITY

Physical Capacity

2.01 (1) The Partnership shall ensure that the Plant will be constructed with the facilities to kill, cut and chill 200 head of cattle per week on a single-shift basis.

(2) The Partnership will ensure that such facilities will be maintained provided that the Partnership is able to purchase 200 head of marketable cattle per week at a fair price (as set forth in Section 4.02) and to market the beef therefrom, subject to normal supply and market fluctuations.

Management Capacity

2.02 (1) The Partnership shall have, or retain a person to manage the Plant who has, the management capability to:

(a) purchase and process 200 head of cattle per week; and

(b) market 200 head of Al Beef per week.

(2) The person retained to manage the Plant as at the Opening Date is Canada Packers.

(3) Canada Packers warrants that it is capable of managing the activities set forth in Sections 2.02(1)(a) and (b).

ARTICLE THREE - SUPPLY

Cattle Supply

3.01 B.P. shall use reasonable efforts to encourage beef producers on Prince Edward Island to adjust their production methods in order to produce Al Beef and to deliver up to 200 head of marketable cattle to the Plant each week.

ARTICLE FOUR - PURCHASE

Purchase of Cattle

4.01 The Partnership shall instruct the manager of the Plant, and Canada Packers undertakes that so long as it is manager of the Plant,

(a) to use reasonable efforts to operate the Plant after the Opening Date so as to purchase, process and market up to 200 head of Al Beef per week provided that it is able to purchase such Al beef at a fair price (as set forth in Section 4.02); and

(b) to purchase cattle after the Opening Date which are not Al Beef provided that it is able to purchase such cattle at a fair price (as set forth in Section 4.02) and to market the beef therefrom and that the Plant has the capacity to process such cattle.

Fair Price

4.02 The Partnership shall pay a fair price for cattle purchased at the Plant based on the quality and marketability thereof.

ARTICLE FIVE - GENERAL

Term

5.01 This Agreement shall commence on the date hereof and remain in force for an initial term ending on December 31, 1995 and thereafter shall be automatically renewed from year to year until terminated by either party on 12 months prior notice to the other party.

Force Majeure

4.02 No party shall be responsible for its failure to perform any obligation herein as a result of fire, strike, lockout, labour dispute, civil or military authority or, without construing the foregoing as words of limitation, any matter or thing beyond its reasonable control.

Benefit of the Agreement

4.03 This Agreement shall enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties hereto.

Amendments and Waivers

4.04 No amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by all of the parties hereto. No waiver of any breach of any provision of this Agreement shall be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, shall be limited to the specific breach waived.

Assignment

4.05 None of the parties hereto may assign its rights or obligations under this Agreement without the prior written consent of the other parties hereto provided that the Partnership may sell

the Plant to GPM and assign its rights and obligations under this Agreement to GPM if GPM agrees to become a party to this Agreement in the place of the Partnership.

Notices

4.06 Any Communication shall be given in writing and may be given by personal delivery, by registered mail or by transmittal by telex addressed to the recipient as follows:

To B.P.:

B.P. Investment Inc.
c/o Scales, Jenkins & McQuaid
Barristers and Solicitors
70 Kent Street
Charlottetown, P.E.I.
C1A 8B9

Telex No.: 014-44249

Attention: David H. Jenkins

To the Partnership:

G.P.M. Limited Partnership
c/o Mullin, Carr, Stevenson & MacKay
Barristers and Solicitors
50 Water Street
Charlottetown, P.E.I.
C1A 7L1

Telex No.: [illegible]

Attention: John A. Carr

To Canada Packers:

Canada Packers Inc.
95 St. Clair Avenue West
Toronto, Ontario
Canada M4V 1P2

Telex No.: 06-22257

Attention: Secretary

or such other address, telex number or individual as may be designated by notice by any party to the others. Any Communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third business day

following the deposit thereof in the mail and, if given by telex, on the day of transmittal thereof. If the party giving any Communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such Communication shall not be mailed but shall be given by personal delivery or by telex.

Governing Law

4.07 This Agreement shall be governed by and construed in accordance with the laws of the Province of Prince Edward Island.

IN WITNESS WHEREOF the parties have executed this Agreement.

B.P. INVESTMENT INC.

Per:_____
President

c/s

_____
Secretary

G.P.M. LIMITED PARTNERSHIP
by its General Partner
GARDEN PROVINCE MEATS
(1985) INC.

c/s

Per:_____
President

_____
Secretary

CANADA PACKERS INC.

c/s

Per:_____
Vice-President

_____
Secretary